KerrMcGee

Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80127

November 21, 2008

Mrs. Diana Mason
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-6100

Re: Directional Drilling R649-3-11
NBU 1022-25G3S
T10S R22E
Section 25: SWNE
SWNE, 1765' FNL, 1482' FEL (surface)
SWNE, 2250' FNL, 2065' FEL (bottom hole)
Uintah County, Utah

Dear Mrs. Mason:

Pursuant to the filing of Kerr-McGee Oil & Gas Onshore LP's (Kerr-McGee) Application for Permit to Drill regarding the above referenced well, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Exception to Location and Siting of Wells.

- Kerr-McGee's NBU 1022-25G3S is located within the Natural Buttes Unit area.
- Kerr-McGee is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to utilize the existing road and pipelines in the area.
- Furthermore, Kerr-McGee certifies that it is the sole working interest owner within 460 feet of the entire directional well bore (State lease UT ST ML 22447).

Therefore, based on the above stated information Kerr-McGee Oil & Gas Onshore LP requests the permit be granted pursuant to R649-3-11.

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

James C. Colligan III
Landman

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: ST ML 22447	6. SURFACE: State
1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐	7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☐ MULTIPLE ZONE ☑	8. UNIT or CA AGREEMENT NAME: UTU-63047A
2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Onshore, LP	9. WELL NAME and NUMBER: NBU 1022-25G3S
3. ADDRESS OF OPERATOR: P.O. Box 173779 CITY Denver STATE CO ZIP 80217-3779 PHONE NUMBER: (720) 929-6226	10. FIELD AND POOL, OR WILDCAT: Natural Buttes Field
4. LOCATION OF WELL (FOOTAGES) 638153X 44201 77Y 39.922320 -109.383431 AT SURFACE: 1765' FNL & 1482' FEL LAT 39.922275 LON -109.383517 (NAD 27) AT PROPOSED PRODUCING ZONE: SWNE 2250' FNL & 2065' FEL, Sec. 25, T10S, R22E 637978X 44200244 39.926973 -109.385505	11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 25 10S 22E
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 35.3 miles northeast of Ouray, Utah	12. COUNTY: Uintah 13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 1482'	16. NUMBER OF ACRES IN LEASE: 640
	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: Unit Well
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 20'	19. PROPOSED DEPTH: 7,744
	20. BOND DESCRIPTION: 22013542
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5103'	22. APPROXIMATE DATE WORK WILL START:
	23. ESTIMATED DURATION: 10 days

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12.25	9.625 J-55 36	4,000	Premium Cement	215	1.18	15.6
			Premium Cement	50	1.18	15.6
7.875	4.5 I-80 11.6	7,744	Premium Lite II	280	3.38	11.0
			50/50 Poz G	1180	1.31	14.3

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☑ COMPLETE DRILLING PLAN
☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Kevin McIntyre TITLE Regulatory Analyst

SIGNATURE _____ DATE 11/13/2008

(This space for State use only)

API NUMBER ASSIGNED: 43-047-40443 APPROVAL:

RECEIVED
DEC 01 2008
DIV. OF OIL, GAS & MINING

(11/2001) (See Instructions on Reverse Side)

Kerr–McGee Oil & Gas Onshore LP

Well location, NBU #1022–25G3S, located as shown in the SW 1/4 NE 1/4 of Section 25, T10S, R22E, S.L.B.&M., Uintah County, Utah.

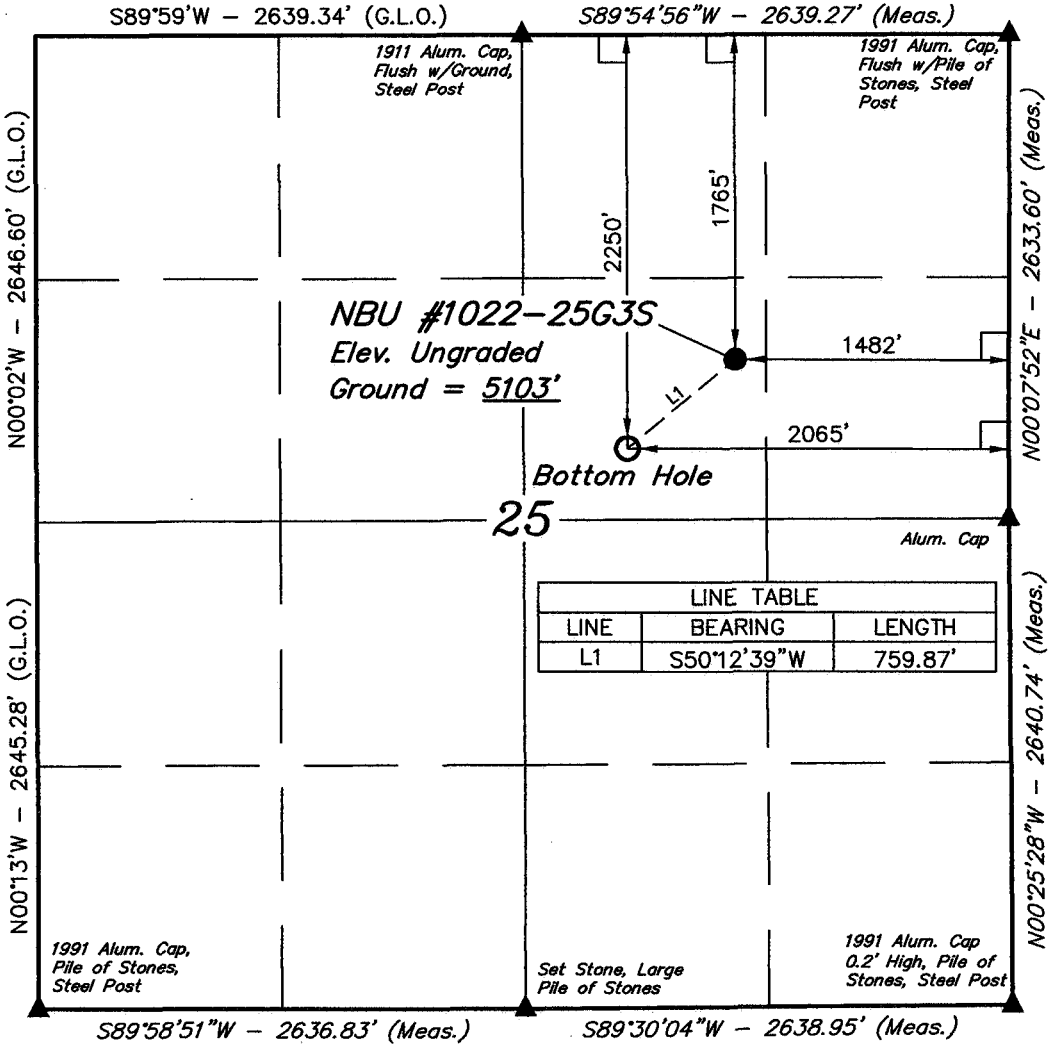
BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M., TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

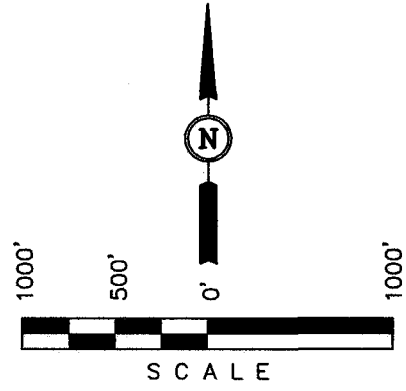
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

T10S, R22E, S.L.B.&M.



LINE TABLE		
LINE	BEARING	LENGTH
L1	S50°12'39"W	759.87'



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REGISTERED LAND SURVEYOR REGISTRATION NO. 161319 STATE OF UTAH ROBERT L. KAY

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

NAD 83 (TARGET BOTTOM HOLE)	NAD 83 (SURFACE LOCATION)
LATITUDE = 39°55'15.27" (39.920908)	LATITUDE = 39°55'20.07" (39.922242)
LONGITUDE = 109°23'10.61" (109.386281)	LONGITUDE = 109°23'03.11" (109.384197)
NAD 27 (TARGET BOTTOM HOLE)	**NAD 27 (SURFACE LOCATION)**
LATITUDE = 39°55'15.39" (39.920942)	LATITUDE = 39°55'20.19" (39.922275)
LONGITUDE = 109°23'08.16" (109.385600)	LONGITUDE = 109°23'00.66" (109.383517)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789–1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	08–11–08	08–22–08
PARTY: L.K. D.D. C.C.	REFERENCES: G.L.O. PLAT	
WEATHER: HOT	FILE: Kerr–McGee Oil & Gas Onshore LP	

NBU 1022-25G3S

Pad: NBU 1022-25G
Surface: 1,765' FNL, 1,482' FEL (SW/4NE/4)
BHL: 2,250' FNL 2,065' FEL (SW/4NE/4)
Sec. 25 T10S R22E

Uintah, Utah
Mineral Lease: ML 22447

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. – 2. Estimated Tops of Important Geologic Markers:
Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

Formation	Depth	Resource
Uinta	0 – Surface	
Green River	423'	
Birds Nest	838'	Water
Mahogany	1,246'	Water
Wasatch	3,453'	Gas
Mesaverde	5,541'	Gas
MVU2	6,411'	Gas
MVL1	7,124'	Gas
TVD	7,600'	
TD	7,744'	

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

6. Evaluation Program:

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 7,744' TD, approximately equals 4,423 psi (calculated at 0.57 psi/foot).

Maximum anticipated surface pressure equals approximately 2,668 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the attached Drilling Program.
Onshore Order #2 – Air Drilling Variance

Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2

- *Blowout Prevention Equipment (BOPE) requirements;*
- *Mud program requirements; and*
- *Special drilling operation (surface equipment placement) requirements associated with air drilling.*

This Standard Operating Practices addendum provides supporting information as to why KMG current air drilling practices for constructing the surface casing hole should be granted a variance to Onshore Order 2 air drilling requirements.

The reader should note that the air rig is used only to construct a stable surface casing hole through a historically difficult lost circulation zone. A conventional rotary rig follows the air rig, and is used to drill and construct the majority of the wellbore.

More notable, KMG has used the air rig layout and procedures outlined below to drill the surface casing hole in approximately 675 wells without incident of blow out or loss of life.

Background

In a typical well, KMG utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet. The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.

Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.

The air rig is then mobilized to drill the surface casing hole by drilling a 12-1/4 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 12-1/4 inch tri-cone bit. The tri-cone bit is used to drill to the surface casing point, approximately 500 feet below the loss circulation zone (Bird's Nest). The 9-5/8 inch surface casing is then run and cemented in place, thereby isolating the lost circulation zone.

KMG fully appreciates Onshore Order 2 well control and safety requirements associated with a typical air drilling operations. However, the requirements of Onshore Order 2 are excessive with respect to the air rig layout and drilling operation procedures that are currently in practice to drill and control the surface casing hole in KMG Fields.

Variance for BOPE Requirements
The air rig operation utilizes a properly lubricated and maintained air bowl diverter system which diverts the drilling returns to a six-inch blooie line. The air bowl is the only piece of BOPE equipment which is installed during drilling operations and is sufficient to contain the air returns associated with this drilling operation. As was discussed earlier, the drilling of the surface hole does not encounter any over pressured or productive zones, and as a result standard BOPE equipment should not be required. In addition, standard drilling practices do not support the use of BOPE on 40 feet of conductor pipe.

Variance for Mud Material Requirements
Onshore Order 2 also states that sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring adequate well control. Once again, the surface hole drilling operations does not encounter over pressured or productive intervals, and as a result there is not a need to control pressure in the surface hole with a mud system. Instead of mud, the air rigs utilize water from the reserve pit for well control, if necessary. A skid pump which is located near the reserve pit (see attachment) will supply the water to the well bore.

Variance for Special Drilling Operation (surface equipment placement) Requirements
Onshore Order 2 requires specific safety distances or setbacks for the placement of associated standard air drilling equipment, wellbore, and reserve pits. The air rigs used to drill the surface holes are not typical of an air rig used to drill a producing hole in other parts of the US. These are smaller in nature and designed to fit a KMG location. The typical air rig layout for drilling surface hole in the field is attached.

Typically the blooie line discharge point is required to be 100 feet from the well bore. In the case of a KMG well, the reserve pit is only 45 feet from the rig and is used for the drill cuttings. The blooie line, which transports the drill cuttings from the well to the reserve pit, subsequently discharges only 45 feet from the well bore.

Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors (see attachment) are located on the rig (1250 cfm) and on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

Lastly, Onshore Order 2 addresses the need for an automatic igniter or continuous pilot light on the blooie line. The air rig does not utilize an igniter as the surface hole drilling operation does not encounter productive formations.

Conclusion
The air rig operating procedures and the attached air rig layout have effectively maintained well control while drilling the surface holes in KMG Fields. KMG respectfully requests a variance from Onshore Order 2 with respect to air drilling well control requirements as discussed above.

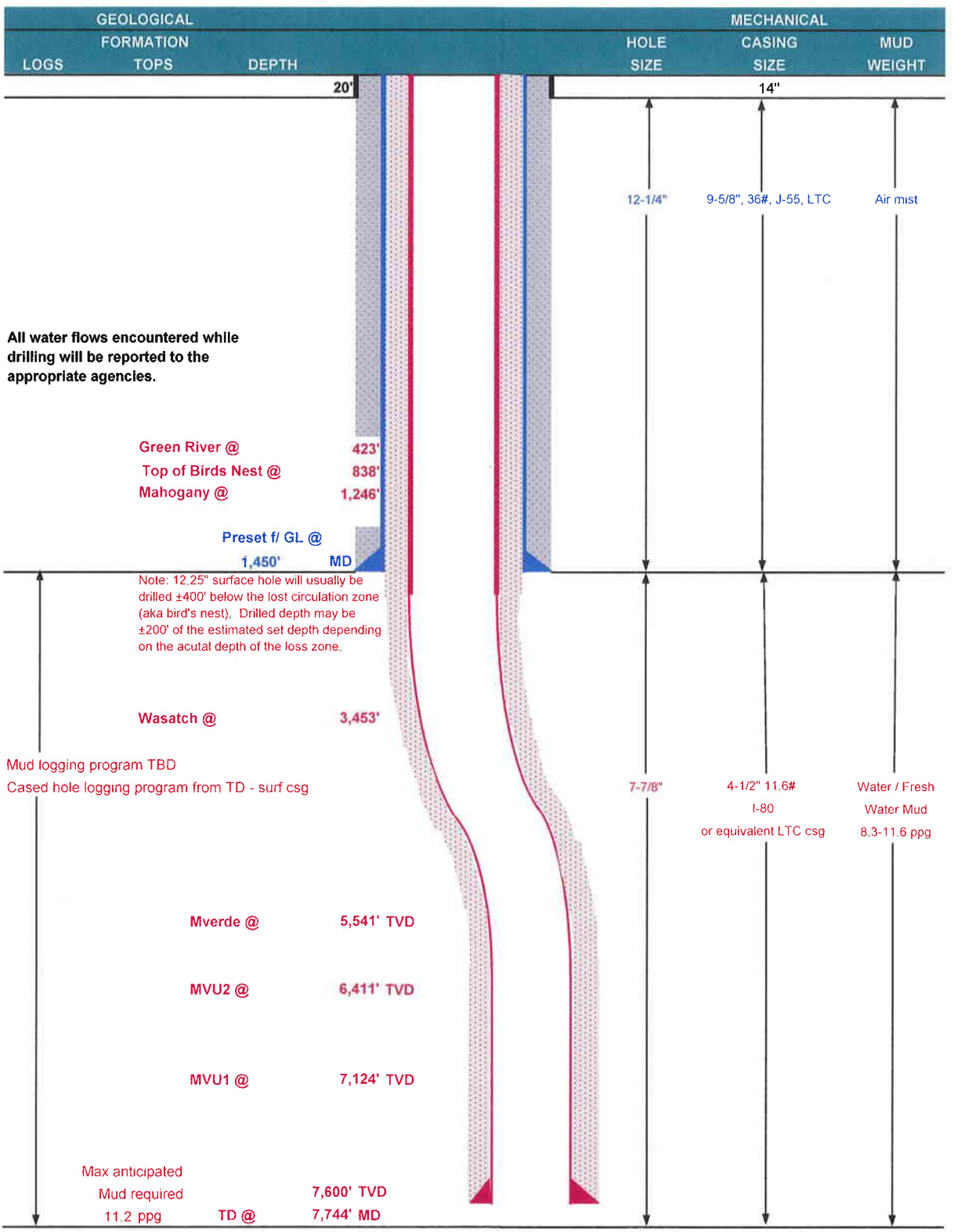
10. Other Information:

Please refer to the attached Drilling Program.

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP				DATE	April 7, 2009	
WELL NAME	**NBU 1022-25G3S**				TD	7,600' TVD	7,744' MD
FIELD	Natural Buttes	COUNTY	Uintah	STATE Utah	ELEVATION	5,103' GL	KB 5,118'
SURFACE LOCATION	SW/4 NE/4	1,765' FNL	1,482' FEL	Sec 25	T 10S	R 22E	
	Latitude:	39.922275	Longitude:	-109.383517		NAD 27	
BTM HOLE LOCATION	SW/4 NE/4	2,250' FNL	2,065' FEL	Sec 25	T 10S	R 22E	
	Latitude:	39.920942	Longitude:	-109.385600		NAD 27	
OBJECTIVE ZONE(S)	Wasatch/Mesaverde						
ADDITIONAL INFO	Regulatory Agencies: SITLA (Minerals), UDOGM (Surface), Tri-County Health Dept.						



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL			WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'								
								3520	2020	453000
SURFACE	9-5/8"	0	to	1,450'	36.00	J-55	LTC	1.25	2.98	11.05
								7,780	6,350	201,000
PRODUCTION	4-1/2"	0	to	7,744'	11.60	I-80	LTC	2.77	1.41	2.56

1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point))

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)
(Burst Assumptions: TD = 11.2 ppg) 0.22 psi/ft = gradient for partially evac wellbore
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MASP 2,668 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
(Burst Assumptions: TD = 11.2 ppg) 0.57 psi/ft = bottomhole gradient
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MABHP 4,423 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1			+ .25 pps flocele				
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt	50		15.60	1.18
			+ 2% CaCl + .25 pps flocele				
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE			**NOTE: If well will circulate water to surface, option 2 will be utilized**				
Option 2	LEAD	1500	65/35 Poz + 6% Gel + 10 pps gilsonite	360	35%	12.60	1.81
			+.25 pps Flocele + 3% salt BWOW				
	TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
			+ .25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	2,944'	Premium Lite II + 3% KCl + 0.25 pps	280	40%	11.00	3.38
			celloflake + 5 pps gilsonite + 10% gel				
			+ 0.5% extender				
	TAIL	4,800'	50/50 Poz/G + 10% salt + 2% gel	1180	40%	14.30	1.31
			+.1% R-3				

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained
*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe
PRODUCTION	Float shoe, 1 jt, float collar. No centralizers will be used.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

Surveys will be taken at 1,000' minimum intervals.

Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER: _____ **DATE:** _____
John Huycke / Grant Schluender

DRILLING SUPERINTENDENT: _____ **DATE:** _____
John Merkel / Lovel Young

NBU 1022-25G3S
SWNE SEC. 25, T10S, R22E
UINTAH COUNTY, UTAH
ST ML 22447

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

Directional Drilling:

In accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling, this well will be directionally drilled in order to access portions of our lease which are otherwise inaccessible due to topography.

1. **Existing Roads:**

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. **Planned Access Roads:**

Approximately 150' +/- of new access road is proposed. Please refer to the attached Topo Map B.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. **Location of Existing Wells Within a 1-Mile Radius:**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities:**

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Shadow Gray, a non-reflective earthtone.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 147' of 4" pipeline is proposed. Refer to Topo D for the proposed pipeline.

5. **Location and Type of Water Supply:**

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. **Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit

walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with

dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E, Pipeline Facility, Sec. 36, T9S, R20E, Goat Pasture Evaporation Pond, SW/4 Sec. 16, T10S, R22E, Bonanza Evaporation Pond, Sec. 2, T10S, R23E.

8. **Ancillary Facilities:**

None are anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance

between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. Surface/Mineral Ownership:

SITLA
675 East 500 South, Suite 500
Salt Lake City, UT 84102

12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey will be submitted when report becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. Lessee's or Operators's Representative & Certification:

Kevin McIntyre
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
P.O. Box 173779
Denver, CO 80217-3779
(720) 929-6226

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond 22013542.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Kevin McIntyre

11/13/2008
Date

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-25G, #1022-25G2S, #1022-25G3S & #1022-25G4S
SECTION 25, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHRELY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN SOUTHEASTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 3.2 MILES TO THE #2D-36 AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE WEST; FOLLOW ROAD FLAGS IN A WESTERLY DIRECTION APPROXIMATELY 150' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 66.3 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-25G, #1022-25G2S, #1022-25G3S & #1022-25G4S

LOCATED IN UINTAH COUNTY, UTAH
SECTION 25, T10S, R22E, S.L.B.&M.

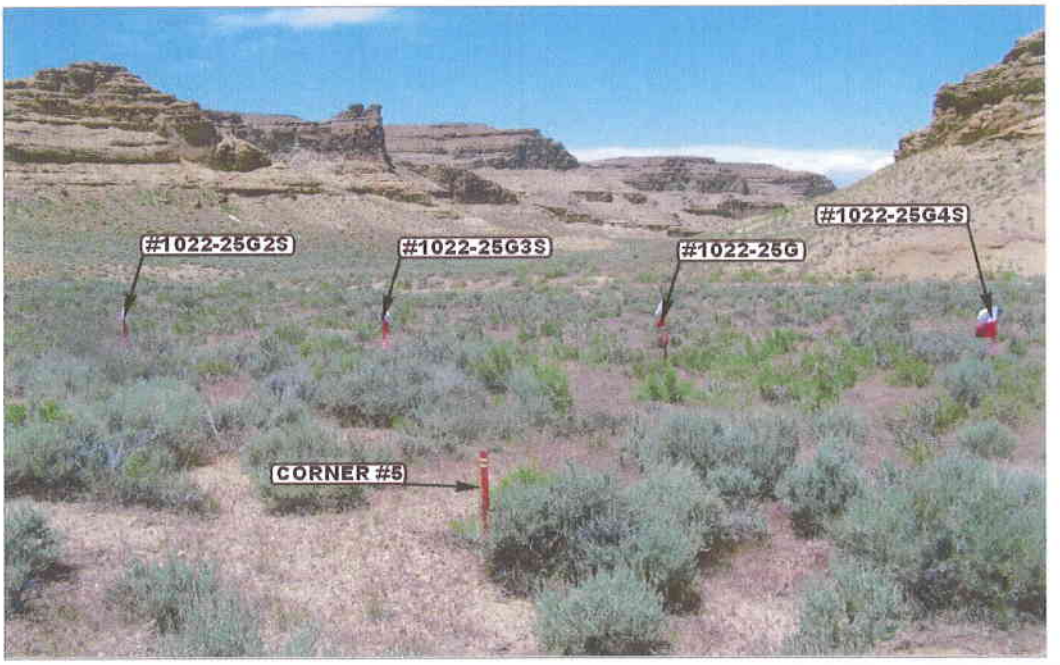


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: NORTHERLY**

PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: SOUTHWESTERLY**

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

LOCATION PHOTOS	12 MONTH	05 DAY	06 YEAR	PHOTO
TAKEN BY: L.K.	DRAWN BY: C.P.	REV: 08-27-08 J.J.		

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-25G, #1022-25G2S, #1022-25G3S & #1022-25G4S

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 25, T10S, R22E, S.L.B.&M.

PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: SOUTHWESTERLY

PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHWESTERLY

- Since 1964 -

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

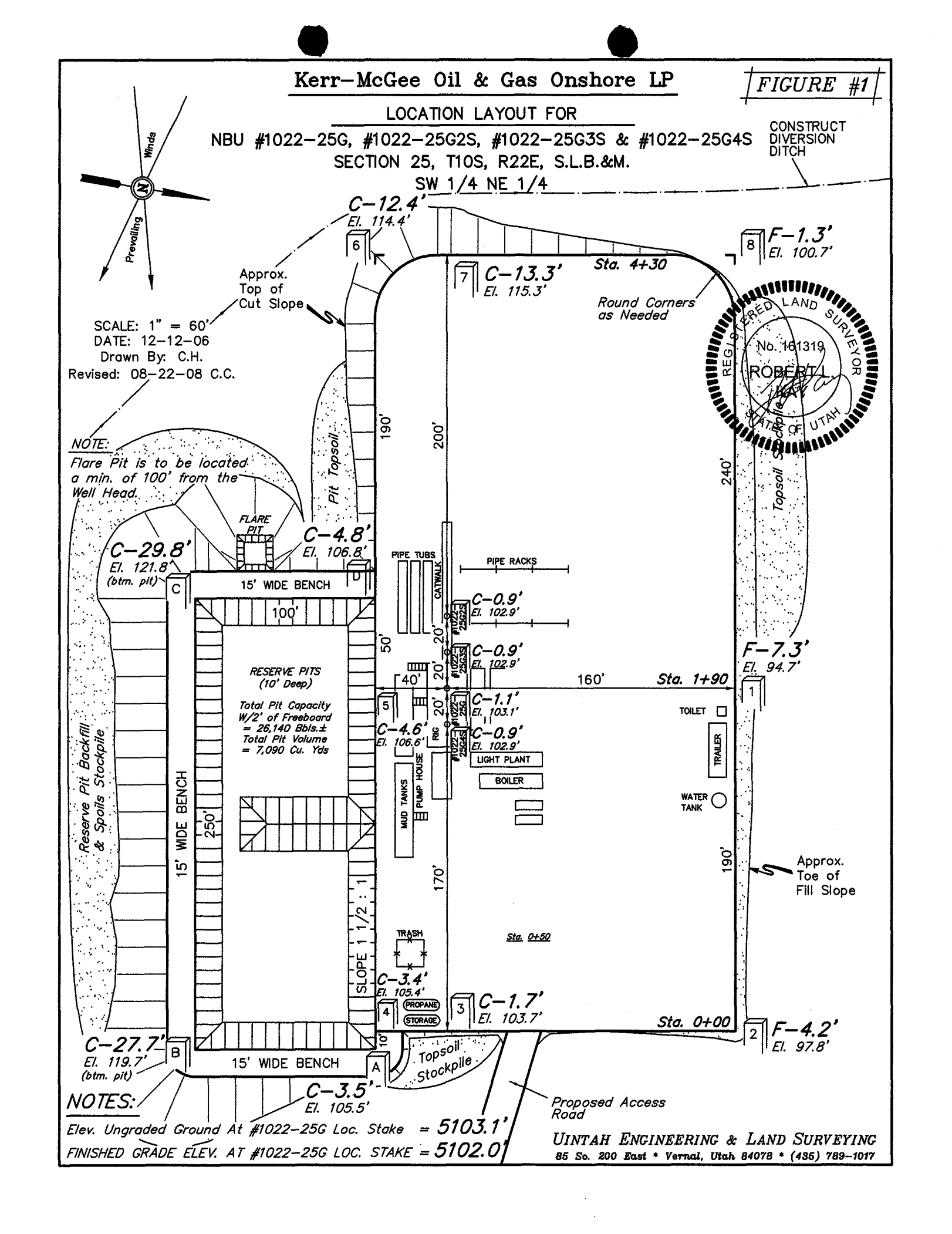
PIPELINE PHOTOS	12 MONTH	05 DAY	06 YEAR	PHOTO
TAKEN BY: L.K.	DRAWN BY: C.P.	REV: 08-27-08 J.J.		

Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR

NBU #1022-25G, #1022-25G2S, #1022-25G3S & #1022-25G4S
SECTION 25, T10S, R22E, S.L.B.&M.
SW 1/4 NE 1/4



NOTES:

Elev. Ungraded Ground At #1022-25G Loc. Stake = 5103.1'

FINISHED GRADE ELEV. AT #1022-25G LOC. STAKE = 5102.0'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

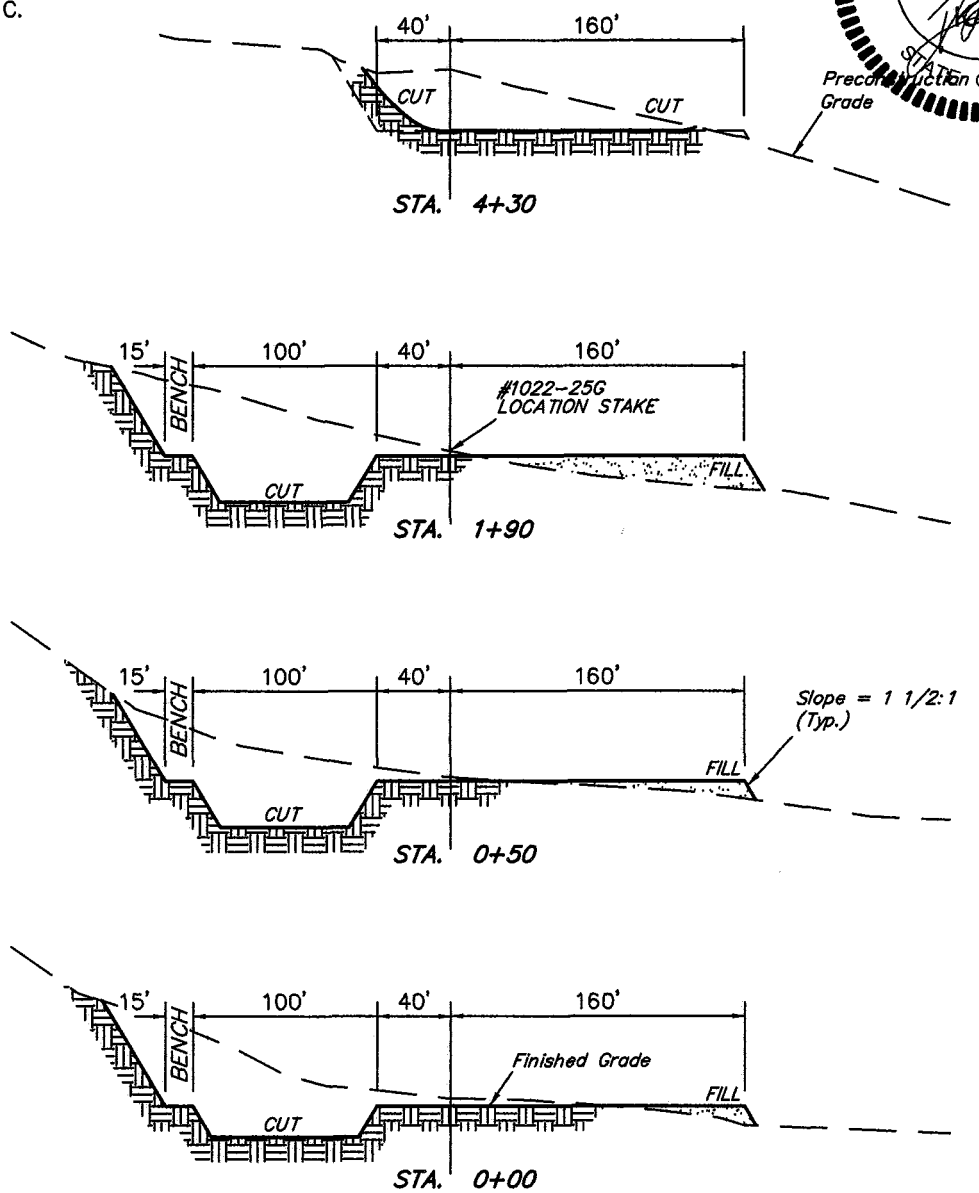
X-Section Scale
1" = 40'
1" = 100'

DATE: 12-12-06
Drawn By: C.H.
Revised: 08-22-08 C.C.

TYPICAL CROSS SECTIONS FOR

NBU #1022-25G, #1022-25G2S, #1022-25G3S & #1022-25G4S
SECTION 25, T10S, R22E, S.L.B.&M.
SW 1/4 NE 1/4

REGISTERED LAND SURVEYOR
No. 161319
ROBERT L.
STATE OF UTAH



NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

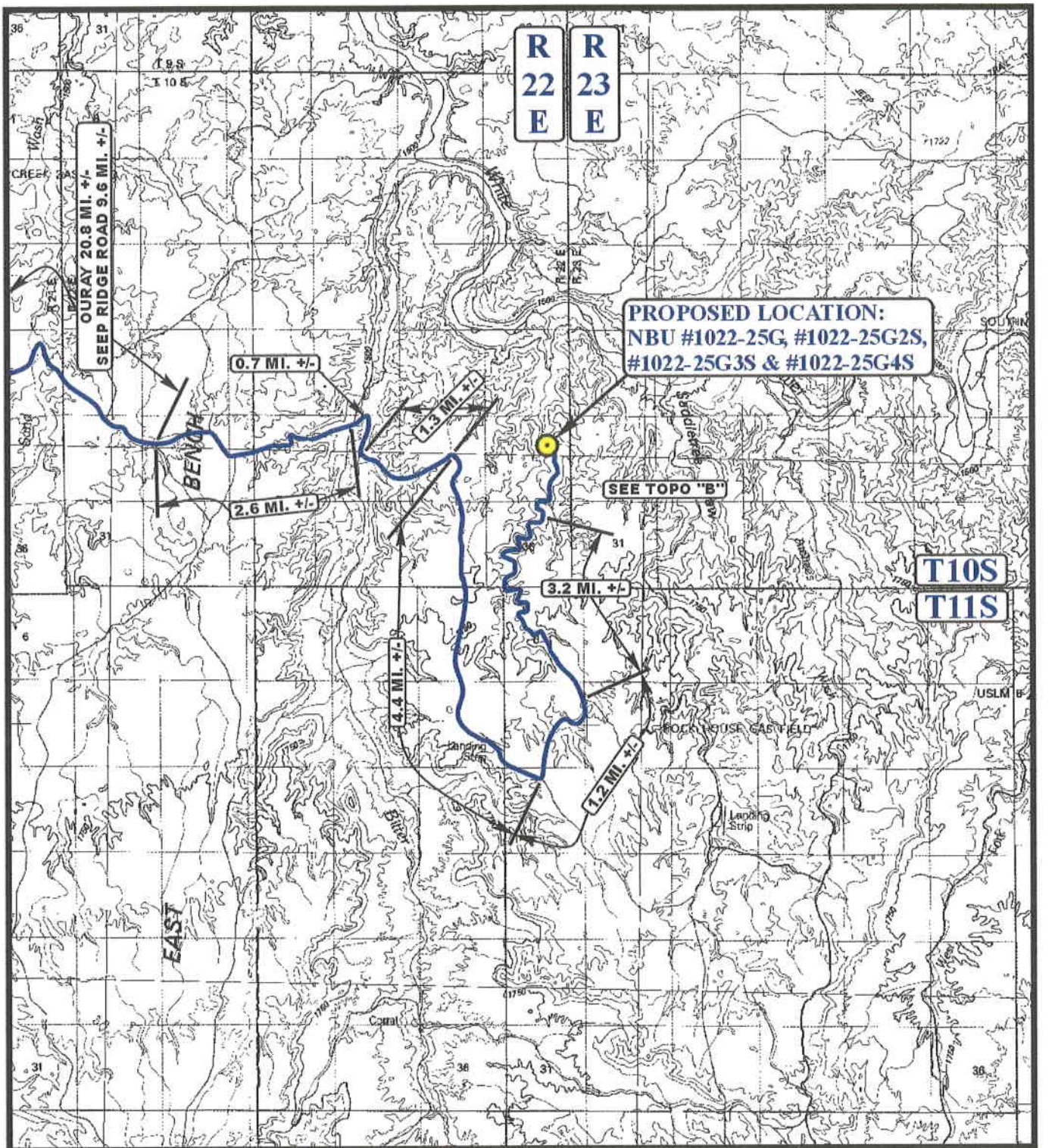
* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	2,780 Cu. Yds.
Remaining Location	=	26,680 Cu. Yds.
TOTAL CUT	=	29,460 CU.YDS.
FILL	=	7,510 CU.YDS.

EXCESS MATERIAL	=	21,950 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	6,330 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	15,620 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

PROPOSED LOCATION

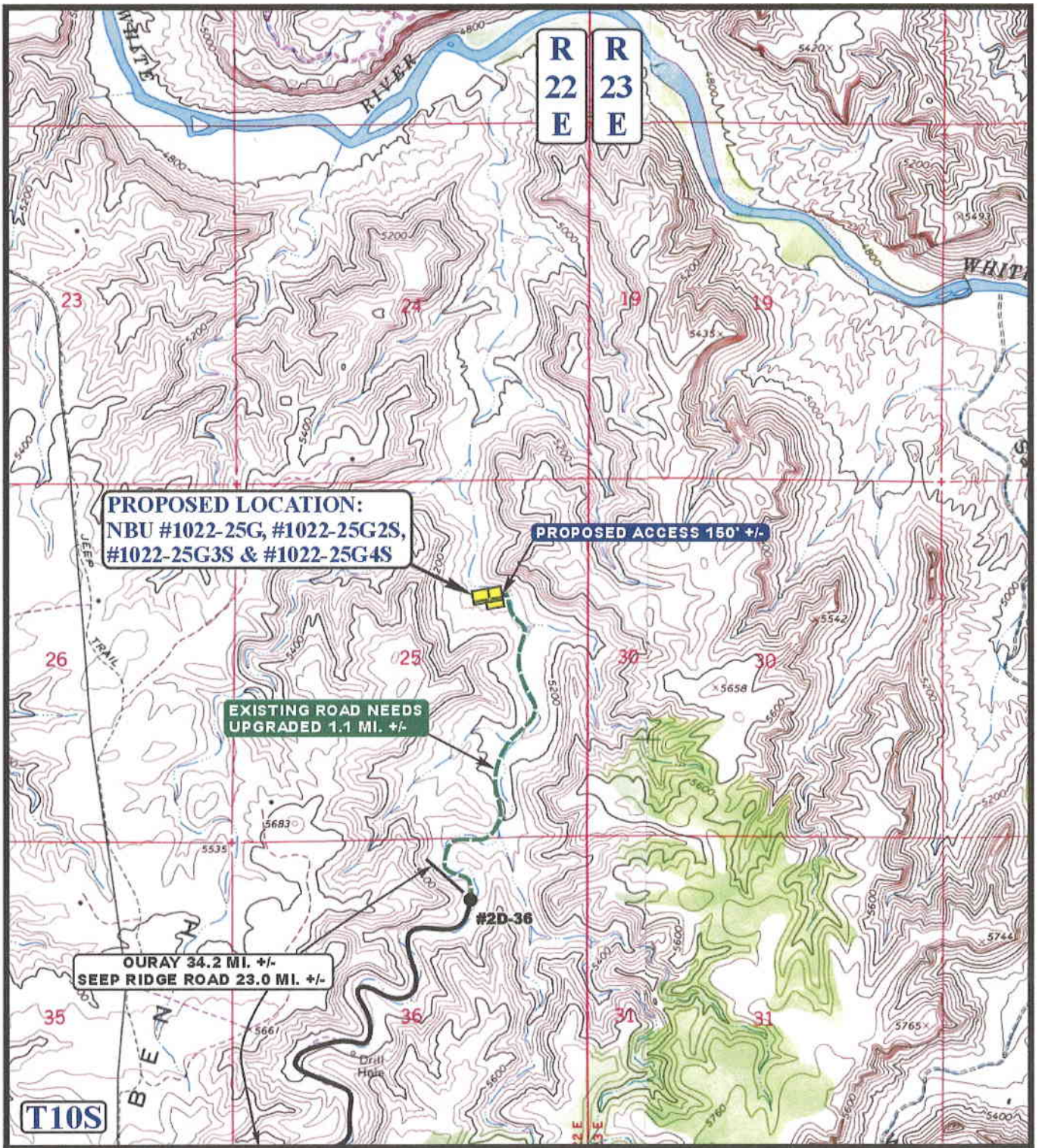
N

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-25G, #1022-25G2S, #1022-25G3S & #1022-25G4S
SECTION 25, T10S, R22E, S.L.B.&M.
SW 1/4 NE 1/4

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	12 MONTH	05 DAY	06 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: C.P.	REV: 08-27-08 J.J.		



LEGEND:

EXISTING ROAD
PROPOSED ACCESS ROAD
EXISTING 2-TRACK NEEDS UPGRADED

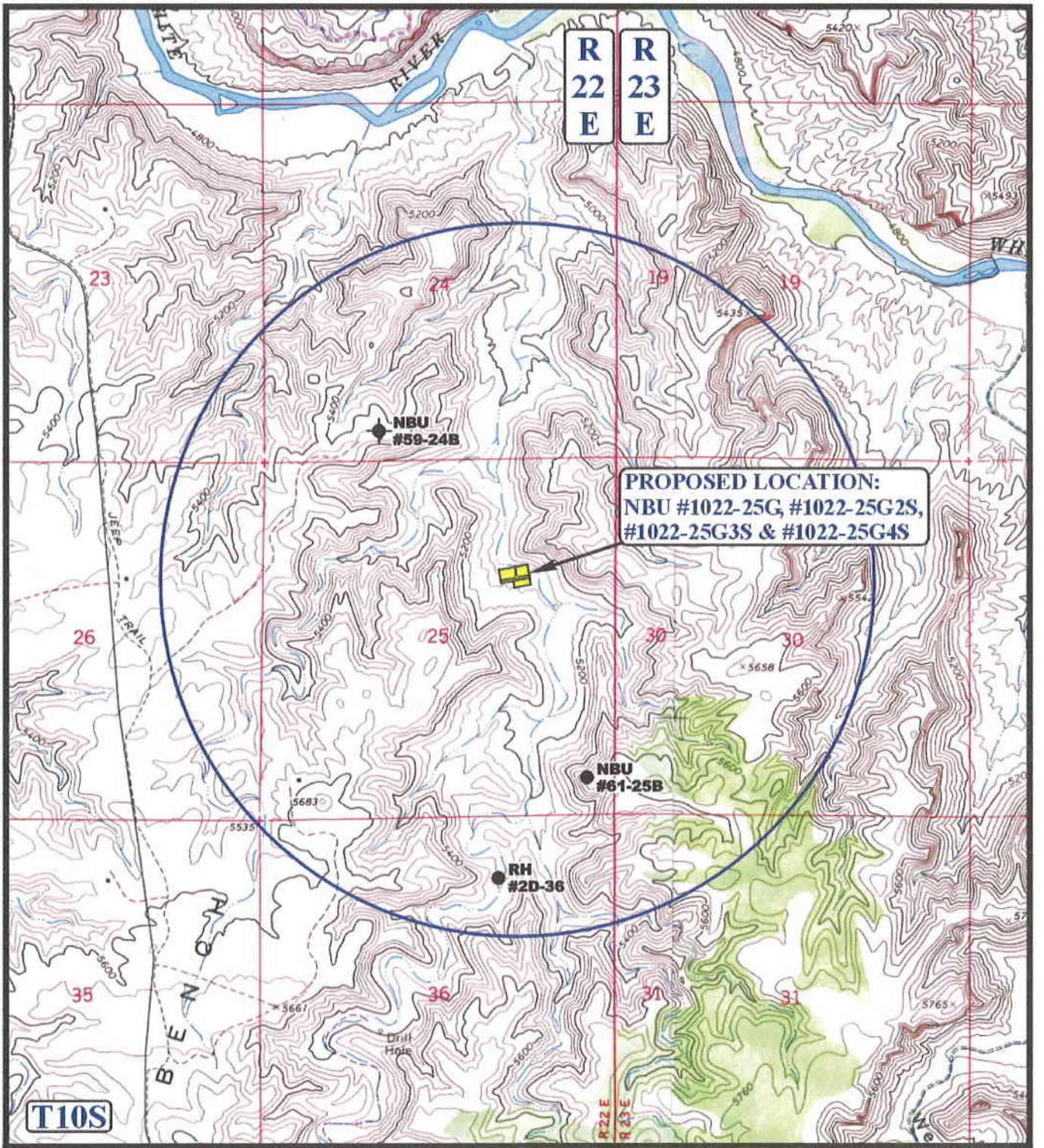
N

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-25G, #1022-25G2S, #1022-25G3S & #1022-25G4S
SECTION 25, T10S, R22E, S.L.B.&M.
SW 1/4 NE 1/4

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	12 MONTH	05 DAY	06 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: C.P.	REV: 08-27-08 J.J.		



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

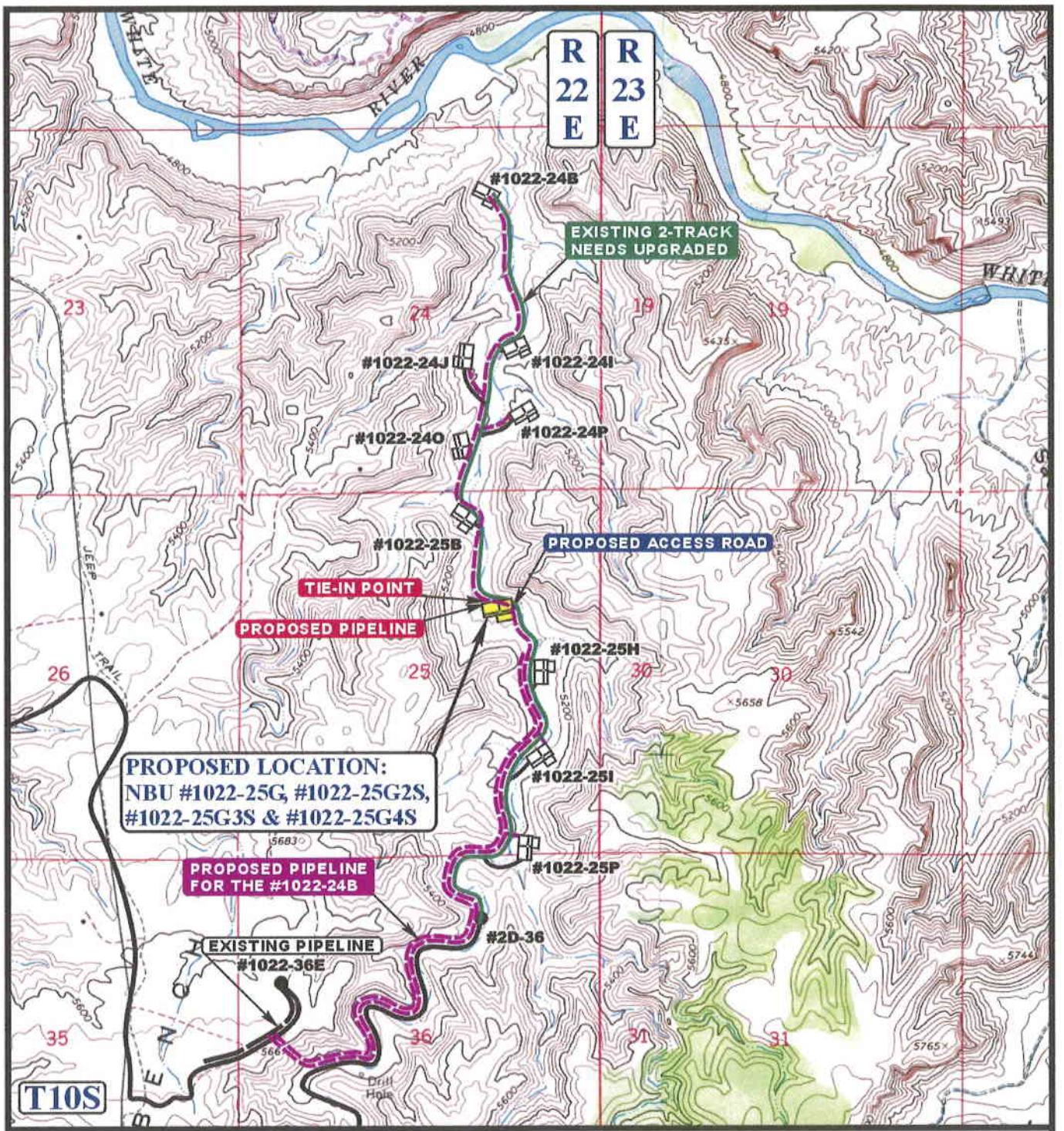
N

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-25G, #1022-25G2S, #1022-25G3S & #1022-25G4S
SECTION 25, T10S, R22E, S.L.B.&M.
SW 1/4 NE 1/4

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	12 MONTH	05 DAY	06 YEAR	C TOPO
SCALE: 1" = 2000'	DRAWN BY: C.P.	REV: 08-27-08 J.J.		



APPROXIMATE TOTAL PIPELINE DISTANCE = 147' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING 2-TRACK NEEDS UPGRADED
- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)

N

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-25G, #1022-25G2S, #1022-25G3S & #1022-25G4S
SECTION 25, T10S, R22E, S.L.B.&M.
SW 1/4 NE 1/4

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	12 MONTH	05 DAY	06 YEAR	D TOPO
SCALE: 1" = 2000'	DRAWN BY: C.P.	REV: 08-27-08 J.J.		

Scientific Drilling
Rocky Mountain Operations

Project: Uintah County, UT NAD27
Site: NBU 1022-25G Pad
Well: NBU 1022-25G3S
Wellbore: OH
Design: Plan #1

K[illegible] McGee Oil and Gas Onshore LP

T M

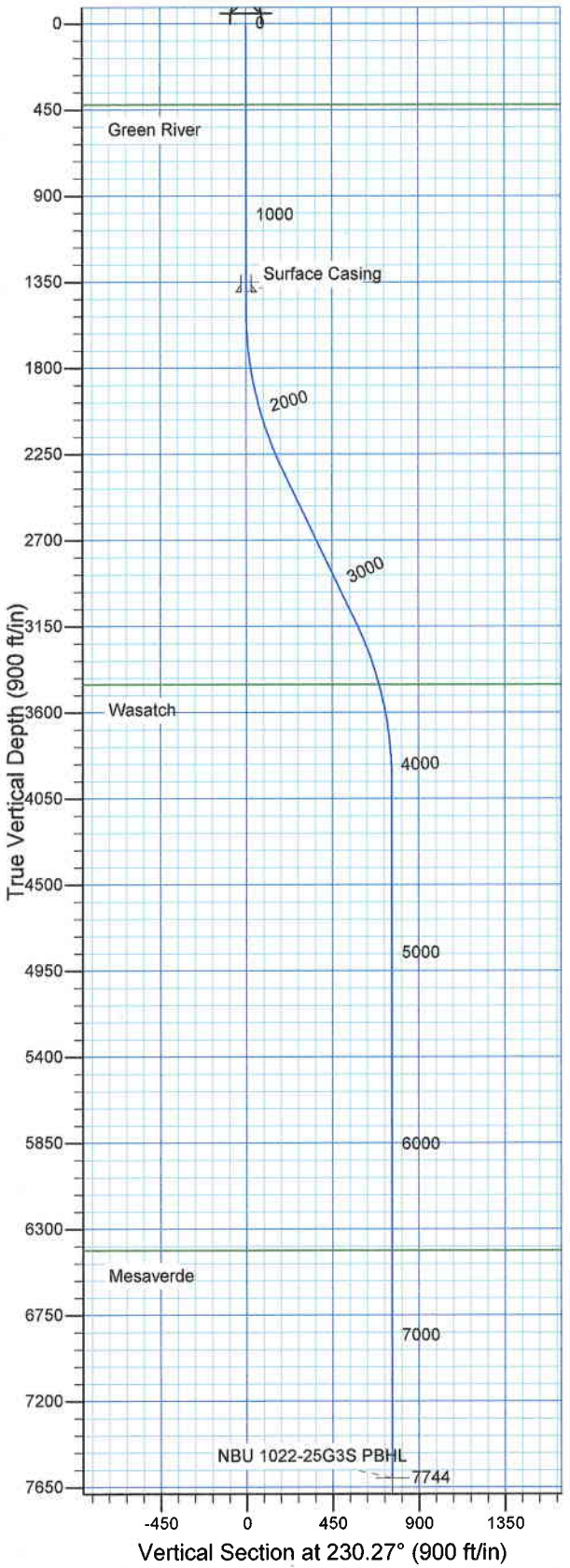
Azimuths to True North
Magnetic North: 11.34°

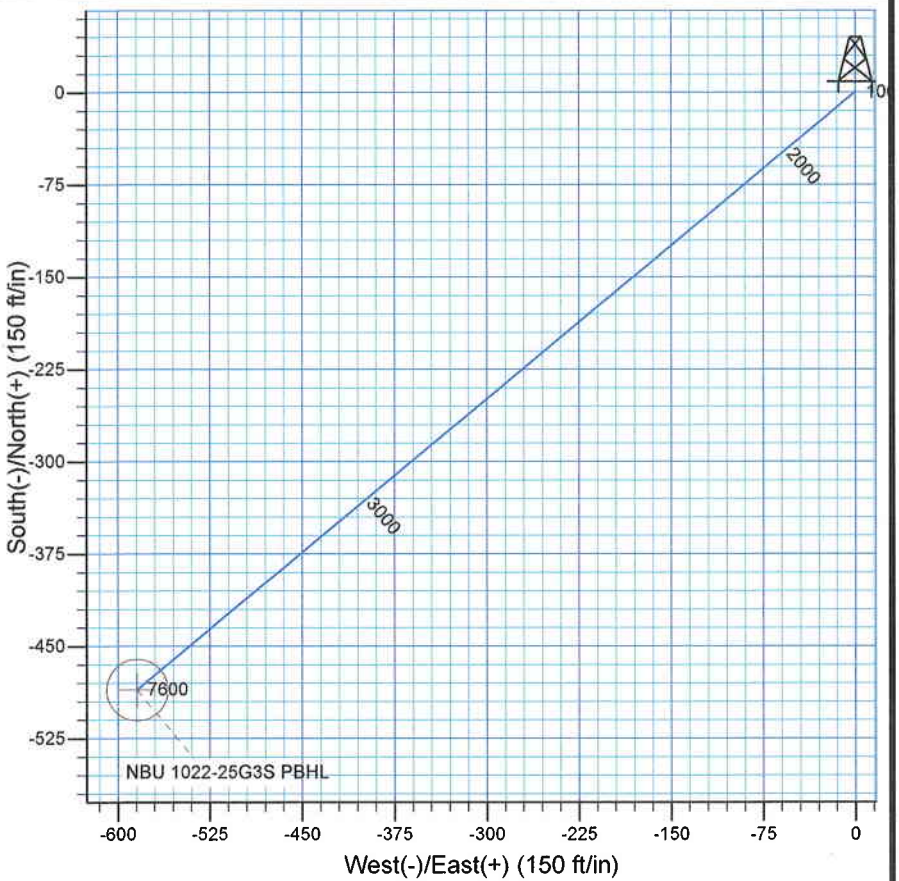
Magnetic Field
Strength: 52590.2snT
Dip Angle: 65.90°
Date: 10/21/2008
Model: IGRF2005-10

WELL DETAILS: NBU 1022-25G3S

GL 5102' & RKB 18' @ 5120.00ft 5102.00

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	585758.40	2593538.08	39° 55' 20.190 N	109° 23' 0.660 W





Plan: Plan #1 (NBU 1022-25G3S/OH)

Created By: Julie Cruse Date: 2008-11-03

PROJECT DETAILS: Uintah County, UT NAD27

Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: Utah Central 4302
Location: Sec 25 T10S R22E
System Datum: Mean Sea Level
Local North: True

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1500.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	0.00	
2353.88	25.62	230.27	2325.72	-119.99	-144.37	3.00	230.27	187.72	
3242.82	25.62	230.27	3127.28	-365.65	-439.94	0.00	0.00	572.05	
4096.70	0.00	0.00	3953.00	-485.64	-584.30	3.00	180.00	759.77	
7743.70	0.00	0.00	7600.00	-485.64	-584.30	0.00	0.00	759.77	NBU 1022-25G3S PBHL

Scientific Drilling
Rocky Mountain Operations

Kerr McGee Oil and Gas Onshore LP

Uintah County, UT NAD27
NBU 1022-25G Pad
NBU 1022-25G3S
OH

Plan: Plan #1

Standard Planning Report

03 November, 2008

Database:	EDM 2003.16 Multi User DB	**Local Co-ordinate Reference:**	Well NBU 1022-25G3S
Company:	Kerr McGee Oil and Gas Onshore LP	**TVD Reference:**	GL 5102' & RKB 18' @ 5120.00ft
Project:	Uintah County, UT NAD27	**MD Reference:**	GL 5102' & RKB 18' @ 5120.00ft
Site:	NBU 1022-25G Pad	**North Reference:**	True
Well:	NBU 1022-25G3S	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Project	Uintah County, UT NAD27		
Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah Central 4302		

Site	NBU 1022-25G Pad, Sec 25 T10S R22E				
Site Position:		**Northing:**	585,762.92 ft	**Latitude:**	39° 55' 20.230 N
From:	Lat/Long	**Easting:**	2,593,557.46 ft	**Longitude:**	109° 23' 0.410 W
Position Uncertainty:	0.00 ft	**Slot Radius:**	in	**Grid Convergence:**	1.36 °

Well	NBU 1022-25G3S, 1765' FNL 1482' FEL					
Well Position	**+N/-S**	0.00 ft	**Northing:**	585,758.40 ft	**Latitude:**	39° 55' 20.190 N
	+E/-W	0.00 ft	**Easting:**	2,593,538.08 ft	**Longitude:**	109° 23' 0.660 W
Position Uncertainty		0.00 ft	**Wellhead Elevation:**	ft	**Ground Level:**	5,102.00 ft

Wellbore	OH				
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF2005-10	10/21/2008	11.34	65.90	52,590

Design	Plan #1				
Audit Notes:					
Version:		**Phase:**	PLAN	**Tie On Depth:**	0.00
Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**	
	0.00	0.00	0.00	230.27	

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,353.88	25.62	230.27	2,325.72	-119.99	-144.37	3.00	3.00	0.00	230.27	
3,242.82	25.62	230.27	3,127.28	-365.65	-439.94	0.00	0.00	0.00	0.00	
4,096.70	0.00	0.00	3,953.00	-485.64	-584.30	3.00	-3.00	0.00	180.00	
7,743.70	0.00	0.00	7,600.00	-485.64	-584.30	0.00	0.00	0.00	0.00	NBU 1022-25G3S PB

Database:	EDM 2003.16 Multi User DB	**Local Co-ordinate Reference:**	Well NBU 1022-25G3S
Company:	Kerr McGee Oil and Gas Onshore LP	**TVD Reference:**	GL 5102' & RKB 18' @ 5120.00ft
Project:	Uintah County, UT NAD27	**MD Reference:**	GL 5102' & RKB 18' @ 5120.00ft
Site:	NBU 1022-25G Pad	**North Reference:**	True
Well:	NBU 1022-25G3S	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
423.00	0.00	0.00	423.00	0.00	0.00	0.00	0.00	0.00	0.00
Green River									
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
Surface Casing									
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	3.00	230.27	1,599.95	-1.67	-2.01	2.62	3.00	3.00	0.00
1,700.00	6.00	230.27	1,699.63	-6.69	-8.05	10.46	3.00	3.00	0.00
1,800.00	9.00	230.27	1,798.77	-15.03	-18.08	23.51	3.00	3.00	0.00
1,900.00	12.00	230.27	1,897.08	-26.68	-32.10	41.74	3.00	3.00	0.00
2,000.00	15.00	230.27	1,994.31	-41.60	-50.05	65.08	3.00	3.00	0.00
2,100.00	18.00	230.27	2,090.18	-59.75	-71.89	93.48	3.00	3.00	0.00
2,200.00	21.00	230.27	2,184.43	-81.08	-97.56	126.85	3.00	3.00	0.00
2,300.00	24.00	230.27	2,276.81	-105.54	-126.98	165.12	3.00	3.00	0.00
2,353.88	25.62	230.27	2,325.72	-119.99	-144.37	187.72	3.00	3.00	0.00
2,400.00	25.62	230.27	2,367.30	-132.74	-159.70	207.66	0.00	0.00	0.00
2,500.00	25.62	230.27	2,457.47	-160.37	-192.95	250.90	0.00	0.00	0.00
2,600.00	25.62	230.27	2,547.64	-188.01	-226.20	294.13	0.00	0.00	0.00
2,700.00	25.62	230.27	2,637.82	-215.64	-259.45	337.37	0.00	0.00	0.00
2,800.00	25.62	230.27	2,727.99	-243.28	-292.70	380.60	0.00	0.00	0.00
2,900.00	25.62	230.27	2,818.16	-270.91	-325.95	423.83	0.00	0.00	0.00
3,000.00	25.62	230.27	2,908.33	-298.55	-359.20	467.07	0.00	0.00	0.00
3,100.00	25.62	230.27	2,998.50	-326.18	-392.45	510.30	0.00	0.00	0.00
3,200.00	25.62	230.27	3,088.67	-353.82	-425.70	553.54	0.00	0.00	0.00
3,242.82	25.62	230.27	3,127.28	-365.65	-439.94	572.05	0.00	0.00	0.00
3,300.00	23.90	230.27	3,179.20	-380.96	-458.35	596.00	3.00	-3.00	0.00
3,400.00	20.90	230.27	3,271.65	-405.31	-487.65	634.10	3.00	-3.00	0.00
3,500.00	17.90	230.27	3,365.96	-426.54	-513.20	667.32	3.00	-3.00	0.00
3,590.81	15.18	230.27	3,453.00	-443.06	-533.08	693.16	3.00	-3.00	0.00
Wasatch									
3,600.00	14.90	230.27	3,461.88	-444.59	-534.91	695.55	3.00	-3.00	0.00
3,700.00	11.90	230.27	3,559.14	-459.40	-552.73	718.72	3.00	-3.00	0.00
3,800.00	8.90	230.27	3,657.49	-470.94	-566.61	736.77	3.00	-3.00	0.00
3,900.00	5.90	230.27	3,756.64	-479.17	-576.52	749.65	3.00	-3.00	0.00
4,000.00	2.90	230.27	3,856.34	-484.08	-582.42	757.33	3.00	-3.00	0.00
4,096.70	0.00	0.00	3,953.00	-485.64	-584.30	759.77	3.00	-3.00	0.00
4,100.00	0.00	0.00	3,956.30	-485.64	-584.30	759.77	0.00	0.00	0.00
4,200.00	0.00	0.00	4,056.30	-485.64	-584.30	759.77	0.00	0.00	0.00
4,300.00	0.00	0.00	4,156.30	-485.64	-584.30	759.77	0.00	0.00	0.00
4,400.00	0.00	0.00	4,256.30	-485.64	-584.30	759.77	0.00	0.00	0.00

Database:	EDM 2003.16 Multi User DB	**Local Co-ordinate Reference:**	Well NBU 1022-25G3S
Company:	Kerr McGee Oil and Gas Onshore LP	**TVD Reference:**	GL 5102' & RKB 18' @ 5120.00ft
Project:	Uintah County, UT NAD27	**MD Reference:**	GL 5102' & RKB 18' @ 5120.00ft
Site:	NBU 1022-25G Pad	**North Reference:**	True
Well:	NBU 1022-25G3S	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
4,500.00	0.00	0.00	4,356.30	-485.64	-584.30	759.77	0.00	0.00	0.00
4,600.00	0.00	0.00	4,456.30	-485.64	-584.30	759.77	0.00	0.00	0.00
4,700.00	0.00	0.00	4,556.30	-485.64	-584.30	759.77	0.00	0.00	0.00
4,800.00	0.00	0.00	4,656.30	-485.64	-584.30	759.77	0.00	0.00	0.00
4,900.00	0.00	0.00	4,756.30	-485.64	-584.30	759.77	0.00	0.00	0.00
5,000.00	0.00	0.00	4,856.30	-485.64	-584.30	759.77	0.00	0.00	0.00
5,100.00	0.00	0.00	4,956.30	-485.64	-584.30	759.77	0.00	0.00	0.00
5,200.00	0.00	0.00	5,056.30	-485.64	-584.30	759.77	0.00	0.00	0.00
5,300.00	0.00	0.00	5,156.30	-485.64	-584.30	759.77	0.00	0.00	0.00
5,400.00	0.00	0.00	5,256.30	-485.64	-584.30	759.77	0.00	0.00	0.00
5,500.00	0.00	0.00	5,356.30	-485.64	-584.30	759.77	0.00	0.00	0.00
5,600.00	0.00	0.00	5,456.30	-485.64	-584.30	759.77	0.00	0.00	0.00
5,700.00	0.00	0.00	5,556.30	-485.64	-584.30	759.77	0.00	0.00	0.00
5,800.00	0.00	0.00	5,656.30	-485.64	-584.30	759.77	0.00	0.00	0.00
5,900.00	0.00	0.00	5,756.30	-485.64	-584.30	759.77	0.00	0.00	0.00
6,000.00	0.00	0.00	5,856.30	-485.64	-584.30	759.77	0.00	0.00	0.00
6,100.00	0.00	0.00	5,956.30	-485.64	-584.30	759.77	0.00	0.00	0.00
6,200.00	0.00	0.00	6,056.30	-485.64	-584.30	759.77	0.00	0.00	0.00
6,300.00	0.00	0.00	6,156.30	-485.64	-584.30	759.77	0.00	0.00	0.00
6,400.00	0.00	0.00	6,256.30	-485.64	-584.30	759.77	0.00	0.00	0.00
6,500.00	0.00	0.00	6,356.30	-485.64	-584.30	759.77	0.00	0.00	0.00
6,554.70	0.00	0.00	6,411.00	-485.64	-584.30	759.77	0.00	0.00	0.00
Mesaverde									
6,600.00	0.00	0.00	6,456.30	-485.64	-584.30	759.77	0.00	0.00	0.00
6,700.00	0.00	0.00	6,556.30	-485.64	-584.30	759.77	0.00	0.00	0.00
6,800.00	0.00	0.00	6,656.30	-485.64	-584.30	759.77	0.00	0.00	0.00
6,900.00	0.00	0.00	6,756.30	-485.64	-584.30	759.77	0.00	0.00	0.00
7,000.00	0.00	0.00	6,856.30	-485.64	-584.30	759.77	0.00	0.00	0.00
7,100.00	0.00	0.00	6,956.30	-485.64	-584.30	759.77	0.00	0.00	0.00
7,200.00	0.00	0.00	7,056.30	-485.64	-584.30	759.77	0.00	0.00	0.00
7,300.00	0.00	0.00	7,156.30	-485.64	-584.30	759.77	0.00	0.00	0.00
7,400.00	0.00	0.00	7,256.30	-485.64	-584.30	759.77	0.00	0.00	0.00
7,500.00	0.00	0.00	7,356.30	-485.64	-584.30	759.77	0.00	0.00	0.00
7,600.00	0.00	0.00	7,456.30	-485.64	-584.30	759.77	0.00	0.00	0.00
7,700.00	0.00	0.00	7,556.30	-485.64	-584.30	759.77	0.00	0.00	0.00
7,743.70	0.00	0.00	7,600.00	-485.64	-584.30	759.77	0.00	0.00	0.00

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
NBU 1022-25G3S PBHL - plan hits target center - Circle (radius 25.00)	0.00	0.00	7,600.00	-485.64	-584.30	585,259.07	2,592,965.43	39° 55' 15.390 N	109° 23' 8.160 W

Database:	EDM 2003.16 Multi User DB	**Local Co-ordinate Reference:**	Well NBU 1022-25G3S
Company:	Kerr McGee Oil and Gas Onshore LP	**TVD Reference:**	GL 5102' & RKB 18' @ 5120.00ft
Project:	Uintah County, UT NAD27	**MD Reference:**	GL 5102' & RKB 18' @ 5120.00ft
Site:	NBU 1022-25G Pad	**North Reference:**	True
Well:	NBU 1022-25G3S	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Casing Points

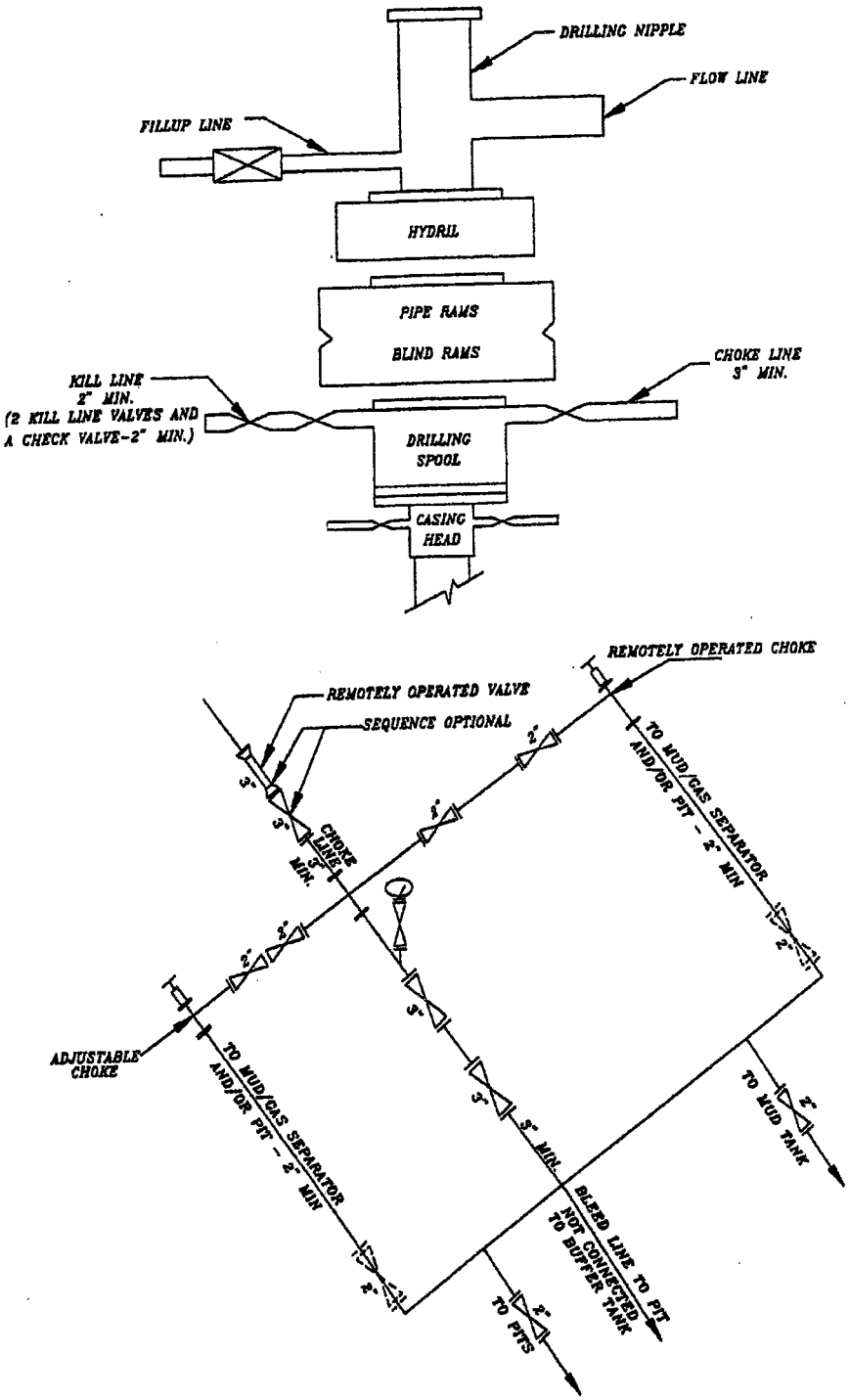
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
1,400.00	1,400.00	Surface Casing	9.625	13.500

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
423.00	423.00	Green River		0.00	
3,590.81	3,453.00	Wasatch		0.00	
6,554.70	6,411.00	Mesaverde		0.00	

NBU 1022-25G3S

EXHIBIT A



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/01/2008

API NO. ASSIGNED: 43-047-40443

WELL NAME: NBU 1022-25G3S
OPERATOR: KERR-MCGEE OIL & GAS (N2995)
CONTACT: KEVIN MCINTYRE

PHONE NUMBER: 720-929-6226

PROPOSED LOCATION:
SWNE 25 100S 220E
SURFACE: 1765 FNL 1482 FEL
BOTTOM: 2250 FNL 2065 FEL
COUNTY: UINTAH
LATITUDE: 39.92232 LONGITUDE: -109.3834
UTM SURF EASTINGS: 638153 NORTHINGS: 4420177
FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	4/15/09
Geology		
Surface		

LEASE TYPE: 3 - State
LEASE NUMBER: ST ML 22447
SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD
COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat
✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 22013542)
N Potash (Y/N)
Y Oil Shale 190-5 (B) or 190-3 or 190-13
✓ Water Permit
(No. 43-8496)
N RDCC Review (Y/N)
(Date:)
NA Fee Surf Agreement (Y/N)
NA Intent to Commingle (Y/N)

LOCATION AND SITING:

____ R649-2-3.
Unit: NATURAL BUTTES
____ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
____ R649-3-3. Exception
✓ Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-1999
Siting: 460' fr u bdry & uncomm. Tract
✓ R649-3-11. Directional Drill

COMMENTS: Needs Presite (09-02-08)

STIPULATIONS: 1- STATEMENT OF BASIS
2- Oil Shale

API Number: 4304740443

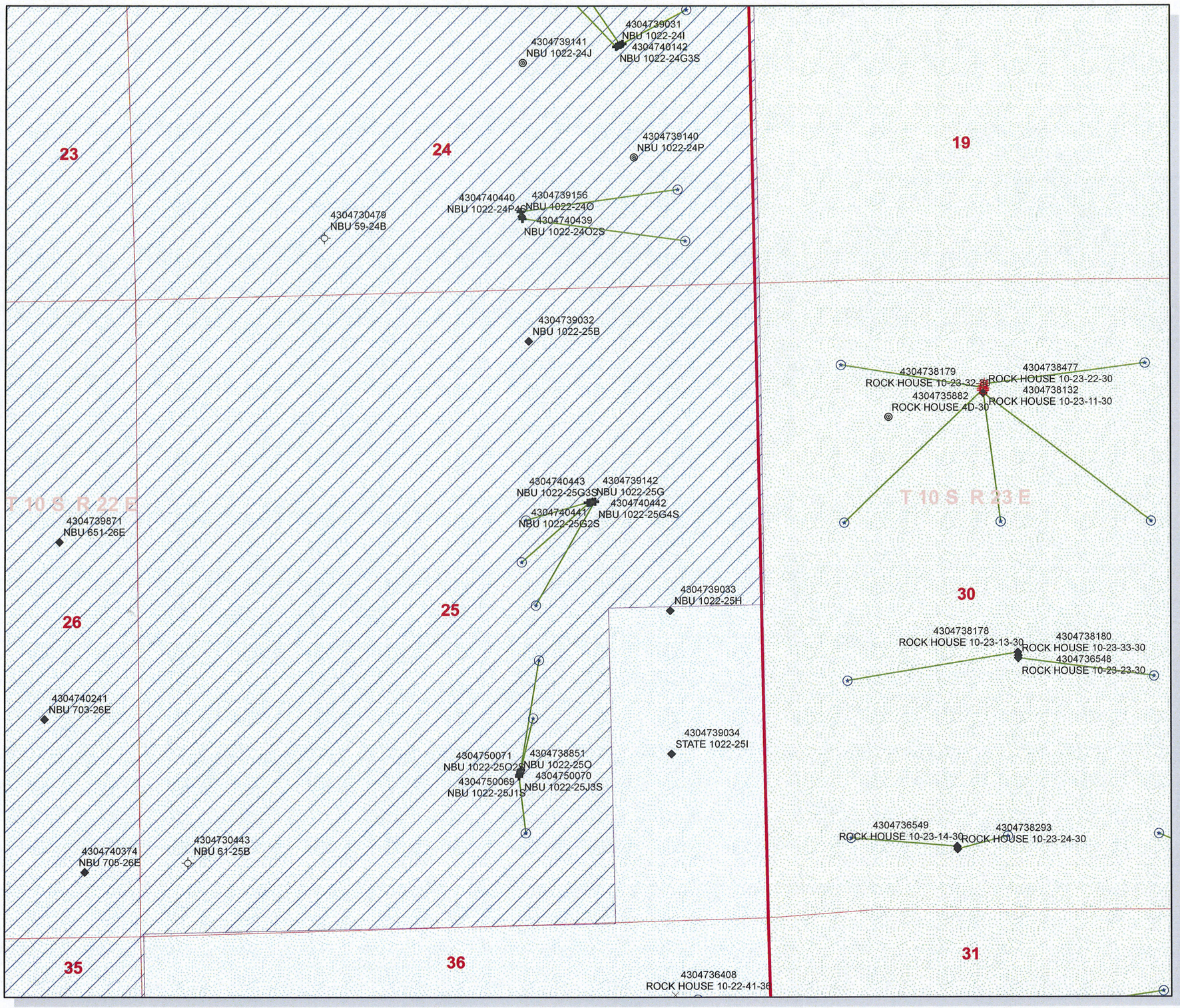
Well Name: NBU 1022-25G3S

Township 10.0 S Range 22.0 E Section 25

Meridian: SLBM

Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:
Map Produced by Diana Mason



Units
STATUS
- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields
STATUS
- ACTIVE
- COMBINED
- Sections
- Township

Wells Query Events
- <all other values>

GIS_STAT_TYPE
- <Null>
- APD
- DRL
- GI
- GS
- LA
- NEW
- OPS
- PA
- PGW
- POW
- RET
- SGW
- SOW
- TA
- TW
- WD
- WI
- WS

1,100 550 0 1,100 Feet

1:10,246

Application for Permit to Drill
Statement of Basis

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
1219	43-047-40443-00-00		GW	S	No

Operator KERR-MCGEE OIL & GAS ONSHORE, L.P. **Surface Owner-APD**
Well Name NBU 1022-25G3S **Unit** NATURAL BUTTES
Field NATURAL BUTTES **Type of Work**
Location SWNE 25 10S 22E S 1765 FNL 1482 FEL GPS Coord (UTM) 638153E 4420177N

Geologic Statement of Basis

Kerr McGee proposes to set 4,000' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 5,100'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 25. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill — 2/18/2009
APD Evaluator — **Date / Time**

Surface Statement of Basis

The general area is Archy Draw located south of the White River in Uintah County, Utah. Vernal, Utah is approximately 37 miles to the northwest and Bonanza, Utah approximately 12 miles to the northeast. Archy Bench is approximately 1 mile to the west and West Fork of Saddle Tree Draw 1-2 miles to the east. The topography in the area is characterized by steep sidehills bordering winding narrow to moderately narrow draws. Many side-slopes are rimmed with sandstone bedrock forming vertical cliffs. Numerous small side draws lead away from the main divides. All drainages are ephemeral only flowing during winter snowmelt and following intense summer rainstorms. Roads are commonly constructed in the bottom of the washes and are subject to washing out following runoff events. Erosion from side-slopes is moderate. No streams seeps or springs are known to exist in the area.

Four wells are planned on the original proposed NBU 1022-25G location. This location is approximately 58 road miles south of Ouray, Utah accessed by Uintah County and oilfield development to within approximately 150 feet of the site where a new road will be constructed to the location.

The original planned location will be lengthened 20' and widened 25 feet. The reserve pit will be increased to 100 feet wide and 250 feet long to facilitate the addition of 3 wells. The location is in a relatively wide area in the bottom of Archy Wash. It begins near the road on the north and extends south to near the toe of a steep slope of a ridge. The ridge was formed as part of the canyon rather than from outwash on side draws which are common in the wash. The wash is rimmed with steep near vertical walls with sandstone ledges near the top. Diversions are planned around both ends of the location to catch and divert possible side slope runoff. The White River is approximately 2 miles down drainage.

The surface and minerals are both owned by SITLA. Ed Bonner and Jim Davis of SITLA were invited the site visit but said they would not attend. SITLA is to be contacted for reclamation standards for the site, including seed mixes to be used for re-vegetation.

Ben Williams and Pat Rainbolt of the Utah Division of Wildlife Resources attended the pre-site. Mr. Williams stated that no wildlife values would be significantly affected by drilling and operating a well at this location

Floyd Bartlett	9/2/2008
Onsite Evaluator	**Date / Time**

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 20 mils and an appropriate thickness of felt sub-liner to cushion the liners shall be properly installed and maintained in the reserve pit.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, L.P.
Well Name NBU 1022-25G3S
API Number 43-047-40443-0 **APD No** 1219 **Field/Unit** NATURAL BUTTES
Location: 1/4,1/4 SWNE **Sec** 25 **Tw** 10S **Rng** 22E 1765 FNL 1482 FEL
GPS Coord (UTM) **Surface Owner**

Participants

Floyd Bartlett (DOGM), Ramie Hoopes, Griz Oleen and Tony Kzneck (Kerr McGee), Ben Williams and Pat Rainbolt (UDWR) and David Kay (Uintah Engineering and Land Surveying).

Regional/Local Setting & Topography

The general area is Archy Draw located south of the White River in Uintah County, Utah. Vernal, Utah is approximately 37 miles to the northwest and Bonanza, Utah approximately 12 miles to the northeast. Archy Bench is approximately 1 mile to the west and West Fork of Saddle Tree Draw 1-2 miles to the east. The topography in the area is characterized by steep sidehills bordering winding narrow to moderately narrow draws. Many side-slopes are rimmed with sandstone bedrock forming vertical cliffs. Numerous small side draws lead away from the main divides. All drainages are ephemeral only flowing during winter snowmelt and following intense summer rainstorms. Roads are commonly constructed in the bottom of the washes and are subject to washing out following runoff events. Erosion from side-slopes is moderate. No streams seeps or springs are known to exist in the area.

Four wells are planned on the original proposed NBU 1022-25G location. This location is approximately 58 road miles south of Ouray, Utah accessed by Uintah County and oilfield development to within approximately 150 feet of the site where a new road will be constructed to the location.

The original planned location will be lengthened 20' and widened 25 feet. The reserve pit will be increased to 100 feet wide and 250 feet long to facilitate the addition of 3 wells. The location is in a relatively wide area in the bottom of Archy Wash. It begins near the road on the north and extends south to near the toe of a steep slope of a ridge. The ridge was formed as part of the canyon rather than from outwash on side draws which are common in the wash. The wash is rimmed with steep near vertical walls with sandstone ledges near the top. Diversions are planned around both ends of the location to catch and divert possible side slope runoff. The White River is approximately 2 miles down drainage.

The surface and minerals are both owned by SITLA. Ed Bonner and Jim Davis of SITLA were invited the site visit but said they would not attend.

Surface Use Plan

Current Surface Use
Recreational
Wildlfe Habitat

New Road Miles	Well Pad		Src Const Material	Surface Formation
0.04	**Width** 315	**Length** 430	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Vegetation included big sagebrush, greasewood, spiny hopsage, needle and thread grass, cheatgrass and broom snakeweed.

Antelope, rabbits, coyotes, and small mammals, birds and raptors.

Soil Type and Characteristics

Moderate to deep gravely sandy loam

Erosion Issues N

Sedimentation Issues Y

Diversions are planned around both ends of the location to catch and divert possible side slope runoff.

Site Stability Issues N

Drainage Diverson Required Y

Diversions are planned around both ends of the location to catch and divert possible side slope runoff.

Berm Required? N

Erosion Sedimentation Control Required? Y

Diversions are planned around both ends of the location to catch and divert possible side slope runoff.

Paleo Survey Run? **Paleo Potental Observed?** N **Cultural Survey Run?** Y **Cultural Resources?**

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	100 to 200	5
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	<300	20
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
	Final Score	40 1 **Sensitivity Level**

Characteristics / Requirements

A reserve pit 100' x 250' x 10' deep is planned in the southeast side of the location. It will be lined with a 20-mil liner and an appropriate thickness of felt sub-liner to cushion the surface.

Closed Loop Mud Required? N **Liner Required?** **Liner Thickness** 20 **Pit Underlayment Required?** Y

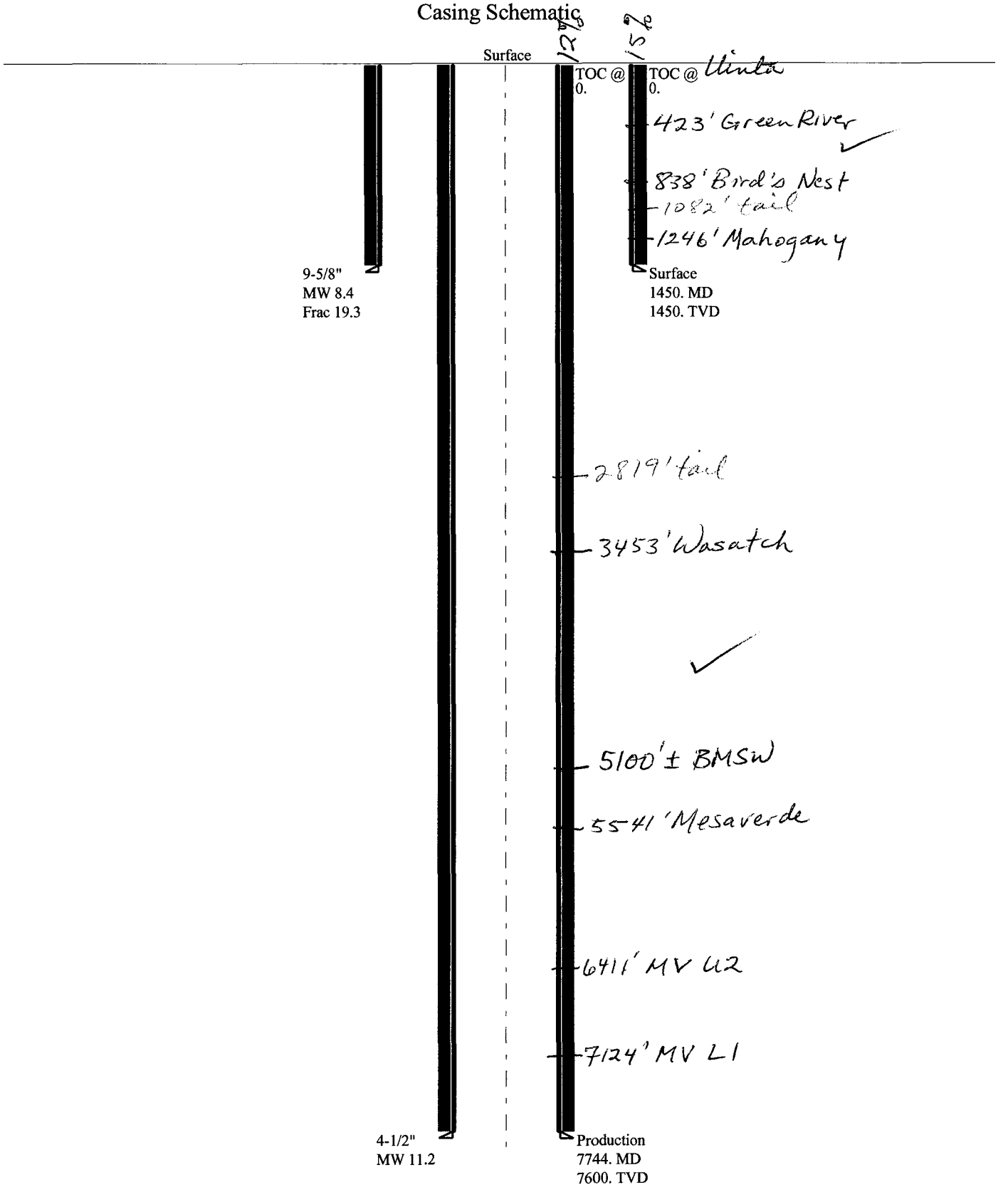
Other Observations / Comments

Floyd Bartlett — **Evaluator**

9/2/2008 — **Date / Time**

43047404430000 NBU 1022-25G3S

Casing Schematic



Well name:	**43047404430000 NBU 1022-25G3S**
Operator:	**Kerr McGee Oil & Gas Onshore L.P.**
String type:	Surface
Project ID:	43-047-40443-0000
Location:	Uintah County, Utah

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,276 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,450 psi

Annular backup: 0.23 ppg

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 1,270 ft

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 95 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,300 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 7,600 ft
Next mud weight: 11.200 ppg
Next setting BHP: 4,422 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 1,450 ft
Injection pressure: 1,450 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	1450	9.625	36.00	J-55	LT&C	1450	1450	8.796	629.4

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	633	2020	3.193	1433	3520	2.46	46	453	9.91 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Mining
Phone: (801) 538-5357
FAX: (801) 359-3940
Date: April 9,2009
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 1450 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**43047404430000 NBU 1022-25G3S**
Operator:	**Kerr McGee Oil & Gas Onshore L.P.**
String type:	Production
Project ID:	43-047-40443-0000
Location:	Uintah County, Utah

Design parameters:

Collapse
Mud weight: 11.200 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 2,750 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 4,422 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 6,472 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 181 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Directional well information:
Kick-off point 1500 ft
Departure at shoe: 760 ft
Maximum dogleg: 3 °/100ft
Inclination at shoe: 0 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	7744	4.5	11.60	I-80	LT&C	7600	7744	3.875	675.8

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4422	6360	1.438	4422	7780	1.76	73	212	2.89 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Mining
Phone: (801) 538-5357
FAX: (801) 359-3940
Date: April 9,2009
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 7600 ft, a mud weight of 11.2 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

BOPE REVIEW — Kerr-McGee NBU 1022-25G3S — API 43-047-40443-0000

INPUT

Well Name	Kerr-McGee NBU 1022-25G3S API 43-047-40443-0000			
	String 1	String 2		
Casing Size (")	9 5/8	4 1/2		
Setting Depth (TVD)	1450	7600		
Previous Shoe Setting Depth (TVD)	40	1450		
Max Mud Weight (ppg)	8.4	11.2	✓	
BOPE Proposed (psi)	500	5000		
Casing Internal Yield (psi)	3520	7780		
Operators Max Anticipated Pressure (psi)	4332	11.0 ppg	✓	

Calculations	String 1	9 5/8 "	
Max BHP [psi]	.052*Setting Depth*MW =	633	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	459	YES ✓ Air Drill to surface shoe with diverter
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	314	YES
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	323	← NO Reasonable Depth
Required Casing/BOPE Test Pressure		1450	psi
*Max Pressure Allowed @ Previous Casing Shoe =		40	psi *Assumes 1psi/ft frac gradient

Calculations	String 2	4 1/2 "	
Max BHP [psi]	.052*Setting Depth*MW =	4426	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	3514	YES
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	2754	YES ✓
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	3073	← NO Reasonable
Required Casing/BOPE Test Pressure		5000	psi
*Max Pressure Allowed @ Previous Casing Shoe =		1450	psi *Assumes 1psi/ft frac gradient

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

December 5, 2008

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2008 Plan of Development Natural Buttes Unit Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2008 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Wasatch/MesaVerde)		
43-047-40444	NBU 921-10G4S	Sec 10 T09S R21E 1937 FNL 1931 FWL
	BHL	Sec 10 T09S R21E 2158 FNL 1441 FEL
43-047-40445	NBU 921-10F2S	Sec 10 T09S R21E 1877 FNL 1927 FWL
	BHL	Sec 10 T09S R21E 1373 FNL 1959 FEL
43-047-40446	NBU 921-10E3S	Sec 10 T09S R21E 1917 FNL 1929 FWL
	BHL	Sec 10 T09S R21E 2080 FNL 0406 FWL
43-047-40447	NBU 921-10F3T	Sec 10 T09S R21E 1897 FNL 1928 FWL
43-047-40448	NBU 922-29D1T	Sec 29 T09S R22E 0571 FNL 1009 FWL
43-047-40423	NBU 921-10CT	Sec 10 T09S R21E 0811 FNL 1792 FWL
43-047-40428	NBU 921-13CT	Sec 13 T09S R21E 0655 FNL 1920 FWL
43-047-40435	NBU 1022-3B4T	Sec 03 T10S R22E 1022 FNL 1751 FEL
43-047-40434	NBU 1022-2A2T	Sec 02 T10S R22E 0203 FNL 0896 FEL
43-047-40424	NBU 921-10G2S	Sec 10 T09S R21E 0835 FNL 1824 FWL
	BHL	Sec 10 T09S R21E 1340 FNL 2462 FEL
43-047-40425	NBU 921-10D2S	Sec 10 T09S R21E 0799 FNL 1776 FWL

BHL Sec 10 T09S R21E 0543 FNL 0648 FWL

43-047-40426 NBU 921-10B4S Sec 10 T09S R21E 0823 FNL 1808 FWL
BHL Sec 10 T09S R21E 0705 FNL 1929 FEL

43-047-40427 NBU 921-13G2S Sec 13 T09S R21E 0655 FNL 1940 FWL
BHL Sec 13 T09S R21E 1372 FNL 2523 FEL

43-047-40429 NBU 921-13B2S Sec 13 T09S R21E 0655 FNL 1960 FWL
BHL Sec 13 T09S R21E 0488 FNL 2541 FEL

43-047-40430 NBU 921-13D4S Sec 13 T09S R21E 0655 FNL 1900 FWL
BHL Sec 13 T09S R21E 0682 FNL 0912 FWL

43-047-40431 NBU 1022-2B2S Sec 02 T10S R22E 0202 FNL 0916 FEL
BHL Sec 02 T10S R22E 0065 FNL 2075 FEL

43-047-40432 NBU 1022-2A3S Sec 02 T10S R22E 0206 FNL 0857 FEL
BHL Sec 02 T10S R22E 0680 FNL 0820 FEL

43-047-40433 NBU 1022-2A4S Sec 02 T10S R22E 0207 FNL 0836 FEL
BHL Sec 02 T10S R22E 1175 FNL 0315 FEL

43-047-40436 NBU 1022-3A3S Sec 03 T10S R22E 1013 FNL 1734 FEL
BHL Sec 03 T10S R22E 0904 FNL 0822 FEL

43-047-40437 NBU 1022-3C1S Sec 03 T10S R22E 1040 FNL 1787 FEL
BHL Sec 03 T10S R22E 0380 FNL 2354 FWL

43-047-40438 NBU 1022-3B2S Sec 03 T10S R22E 1031 FNL 1769 FEL
BHL Sec 03 T10S R22E 0048 FNL 2516 FEL

43-047-40439 NBU 1022-24O2S Sec 24 T10S R22E 0684 FSL 2016 FEL
BHL Sec 24 T10S R22E 0830 FSL 0690 FEL

43-047-40440 NBU 1022-24P4S Sec 24 T10S R22E 0625 FSL 2002 FEL
BHL Sec 24 T10S R22E 0400 FSL 0635 FEL

43-047-40441 NBU 1022-25G2S Sec 25 T10S R22E 1768 FNL 1502 FEL
BHL Sec 25 T10S R22E 1900 FNL 2025 FEL

43-047-40442 NBU 1022-25G4S Sec 25 T10S R22E 1758 FNL 1443 FEL
BHL Sec 25 T10S R22E 2615 FNL 1955 FEL

43-047-40443 NBU 1022-25G3S Sec 25 T10S R22E 1765 FNL 1482 FEL
BHL Sec 25 T10S R22E 2250 FNL 2065 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File – Natural Buttes Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:12-5-08

From: Jim Davis
To: Bonner, Ed; Mason, Diana
Date: 1/28/2009 10:59 AM
Subject: APD approvals- A bunch of Kerr McGee

CC: Garrison, LaVonne; Raleen.White@anadarko.com

The following wells have been approved by SITLA including arch and paleo clearance.

Condition of approval: Spot-checking of pad construction/ extension for paleo resources:
NBU 1022-24B1AS 4304740129
NBU 1022-24B1DS 4304740130
NBU 1022-24G1S 4304740131
and
NBU 1022-25J3S 4304750070
NBU 1022-25J1S 4304750069
NBU 1022-25O2S 4304750071

No COA's:
NBU 1022-24G2S 4304740140
NBU 1022-24G3S 4304740142
NBU 1022-241IS 4304740141

FYI: These wells had been approved by SITLA previously. The APDs have been extended. Kerr McGee recently sent paleo reports to SITLA- there were no recommendations from the surveying paleontologist. Just in case anyone needs it, SITLA (still) approves of these APDs.
NBU 1022-25G 4304739142
NBU 1022-25G3S 4304740443
NBU 1022-25G4S 4304740442
NBU 1022-25G2S 4304740441

Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov
Phone: (801) 538-5156

Helen Sadik-Macdonald - RE: RE: Application For Permit to Drill Sent Back for

From: "Schneebeck Dulnoan, Kathy"
To: "Helen Sadik-Macdonald" , "White, Raleen"
Date: 4/7/2009 3:30 PM
Subject: RE: RE: Application For Permit to Drill Sent Back for
CC: "Diana Mason" , "Dustin Doucet"

No worries. I just sent off replacement copies with the revised pages requested. The package you just received had something different anyway.

I'm sorry for all of this confusion. Sorry you have to go to the dentist, but I hope it goes well.

Thank you.

Kathy Schneebeck Dulnoan
Anadarko E&P Company, LP
Kerr-McGee Oil & Gas Onshore LP
A wholly-owned subsidiary of Anadarko Petroleum Corporation
Direct: 720-929-6007
kathy.schneebeckdulnoan@anadarko.com

From: Helen Sadik-Macdonald [mailto:HMACDONALD@utah.gov]
Sent: Tuesday, April 07, 2009 3:28 PM
To: Schneebeck Dulnoan, Kathy; White, Raleen
Cc: Diana Mason; Dustin Doucet
Subject: FW: RE: Application For Permit to Drill Sent Back for

Sorry, Kathy. The Fed-Ex package had surface location changes in it. I cannot use these. If you have new drill plans and wellbore diagrams, you can email them to me. I'm leaving for a dentist appointment. Will be back tomorrow morning.

Helen Sadik-Macdonald, CPG
Engineering Geologist
Utah Div. of Oil, Gas & Mining
PO Box 145801
Salt Lake City, UT 84114-5801

801/538-5357 Desk
801/359-3940 Fax

>>> On 4/7/2009 at 1:15 PM, in message
<4C00A07B0A6842468A3237500193BBB073FCE2@dnvmbx2.anadarko.com>, "Schneebeck Dulnoan, Kathy"
<Kathy.SchneebeckDulnoan@anadarko.com> wrote:

> Hi, Helen,
>
> Actually, these were sent to your office last Thursday for Monday delivery via Federal Express. (I'm sorry I'm so confused. This is not my usual self.) If you didn't receive them, I'll resend them today.
>
> Please advise. Thanks!
>
> Kathy Schneebeck Dulnoan
> Anadarko E&P Company, LP

Kerr-McGee Oil & Gas Onshore LP
A wholly-owned subsidiary of Anadarko Petroleum Corporation
Direct: 720-929-6007
kathy.schneebeckdulnoan@anadarko.com

From: Schneebeck Dulnoan, Kathy
Sent: Tuesday, April 07, 2009 12:22 PM
To: Helen Sadik-Macdonald; White, Raleen
Cc: Diana Mason; Dustin Doucet
Subject: RE: RE: Application For Permit to Drill Sent Back for

Oh, goodness, Helen. I'm so sorry. I just found them on my desk. I would have sworn I sent them out last week..... I have all of the paperwork ready to go, but they got buried. I will get them out to you today.

Kathy Schneebeck Dulnoan
Anadarko E&P Company, LP
Kerr-McGee Oil & Gas Onshore LP
A wholly-owned subsidiary of Anadarko Petroleum Corporation
Direct: 720-929-6007
kathy.schneebeckdulnoan@anadarko.com

From: Helen Sadik-Macdonald [mailto:HMACDONALD@utah.gov]
Sent: Tuesday, April 07, 2009 12:17 PM
To: Schneebeck Dulnoan, Kathy; White, Raleen
Cc: Diana Mason; Dustin Doucet
Subject: Fwd: RE: Application For Permit to Drill Sent Back for

Kathy and Raleen,
If you go to the bottom of this correspondence, it begins with "what is the status of these wells?"
I have 3 hard copy APDs for
NBU 1022-25G2S
NBU 1022-25G3S
NBU 1022-25G4S
They have 4000' feet of surface casing proposed. I have not received corrections for them yet.

Helen Sadik-Macdonald, CPG
Engineering Geologist
Utah Div. of Oil, Gas & Mining
PO Box 145801
Salt Lake City, UT 84114-5801

801/538-5357 Desk
801/359-3940 Fax

>>> On 3/26/2009 at 2:40 PM, in message
<4C00A07B0A6842468A3237500193BBB05B5ADE@dnvmbx2.anadarko.com>, "Schneebeck Dulnoan, Kathy" <Kathy.SchneebeckDulnoan@anadarko.com> wrote:

> Thanks!
>
> Kathy Schneebeck Dulnoan
> Anadarko E&P Company, LP

Kerr-McGee Oil & Gas Onshore LP
A wholly-owned subsidiary of Anadarko Petroleum Corporation
Direct: 720-929-6007
kathy.schneebeckdulnoan@anadarko.com

From: Helen Sadik-Macdonald [mailto:hmacdonald@utah.gov]
Sent: Thursday, March 26, 2009 2:36 PM
To: Schneebeck Dulnoan, Kathy
Subject: RE: Application For Permit to Drill Sent Back for Revisions

Same to you!

>>> On 3/26/2009 at 2:22 PM, in message <4C00A07B0A6842468A3237500193BBB05B5ADB@dnvmbx2.anadarko.com>, "Schneebeck Dulnoan, Kathy" <Kathy.SchneebeckDulnoan@anadarko.com> wrote:

> Thank you. You will likely have these pages on Monday.
>
> Have a great weekend.
>
> Kathy Schneebeck Dulnoan
> Anadarko E&P Company, LP
> Kerr-McGee Oil & Gas Onshore LP
> A wholly-owned subsidiary of Anadarko Petroleum Corporation
> Direct: 720-929-6007
> kathy.schneebeckdulnoan@anadarko.com
>
> ---
>
> **From:** Helen Sadik-Macdonald [mailto:hmacdonald@utah.gov]
> **Sent:** Thursday, March 26, 2009 2:03 PM
> **To:** Schneebeck Dulnoan, Kathy
> **Subject:** RE: Application For Permit to Drill Sent Back for Revisions
>
> One copy.
>
> *Helen Sadik-Macdonald, CPG, PG*
> *Engineering Geologist*
> *Utah Div. of Oil, Gas & Mining*
> *PO Box 145801*
> *Salt Lake City, UT 84114-5801*
>
> *801/538-5357 Desk*
> *801/359-3940 Fax*
>
> >>> On 3/25/2009 at 3:58 PM, in message <4C00A07B0A6842468A3237500193BBB05B59D9@dnvmbx2.anadarko.com>, "Schneebeck Dulnoan, Kathy" <Kathy.SchneebeckDulnoan@anadarko.com> wrote:
>
> > Hi, Helen,
> >
> > How many copies of the replacement pages do you need for these corrections?
> >
> > Thanks!
> >
> > Kathy Schneebeck Dulnoan
> > Anadarko E&P Company, LP

Kerr-McGee Oil & Gas Onshore LP
A wholly-owned subsidiary of Anadarko Petroleum Corporation
Direct: 720-929-6007
kathy.schneebeckdulnoan@anadarko.com

From: Helen Sadik-Macdonald [mailto:hmacdonald@utah.gov]
Sent: Wednesday, March 04, 2009 11:09 AM
To: Schneebeck Dulnoan, Kathy
Subject: RE: Application For Permit to Drill Sent Back for Revisions

Checking "Amended" is OK on Form 3. I may cross out and make changes on the original, will have to see what you send. Drill plan is most important. Thanks! hsm

Helen Sadik-Macdonald, CPG, PG
Engineering Geologist
Utah Div. of Oil, Gas & Mining
PO Box 145801
Salt Lake City, UT 84114-5801

801/538-5357 Desk
801/359-3940 Fax

>>> On 3/3/2009 at 4:15 PM, in message <4C00A07B0A6842468A3237500193BBB041931B@dnvmbx2.anadarko.com>, "Schneebeck Dulnoan, Kathy" <Kathy.SchneebeckDulnoan@anadarko.com> wrote:

> Okee dokee. No worries. I'll send them back in via paper or e-mail. If I send in via paper, do you want a revised/updated Form 3 or not at all? I don't want to add to this confusion.....
>
> Thank you for your patience. We're trying to get all of this straightened out and things will hopefully go more smoothly soon. Have a great evening!
>
> Kathy Schneebeck Dulnoan
> Anadarko E&P Company, LP
> Kerr-McGee Oil & Gas Onshore LP
> A wholly-owned subsidiary of Anadarko Petroleum Corporation
> Direct: 720-929-6007
> kathy.schneebeckdulnoan@anadarko.com
>
> ---
>
> **From:** Helen Sadik-Macdonald [mailto:hmacdonald@utah.gov]
> **Sent:** Tuesday, March 03, 2009 3:41 PM
> **To:** Schneebeck Dulnoan, Kathy
> **Cc:** Diana Mason
> **Subject:** RE: Application For Permit to Drill Sent Back for Revisions
>
> Kathy,
> It was a thought, but won't work. An API number has already been assigned and a lot of data input has already occurred before I get the documents. Send a revised Drill Plan (e-mail is fine) with colored wellbore-cmt pages and I'll swap them out of the permit file. I'll cross out for changes on Form 3. It's much less hassle this way.
> Regards,
>
> *Helen Sadik-Macdonald, CPG, PG*
> *Engineering Geologist*
> *Utah Div. of Oil, Gas & Mining*

PO Box 145801
Salt Lake City, UT 84114-5801

801/538-5357 Desk
801/359-3940 Fax

>>> On 3/3/2009 at 1:52 PM, in message <4C00A07B0A6842468A3237500193BBB041929F@dnvmbx2.anadarko.com>, "Schneebeck Dulnoan, Kathy" <Kathy.SchneebeckDulnoan@anadarko.com> wrote:

Hi, Helen,

You are correct: 4000' of surface casing is not what is planned. We'd like to correct these and resubmit them. How would be best and easiest for you to do this? Can we resubmit them electronically even though they were submitted via paper initially?

Thank you.

Kathy Schneebeck Dulnoan
Anadarko E&P Company, LP
Kerr-McGee Oil & Gas Onshore LP
A wholly-owned subsidiary of Anadarko Petroleum Corporation
Direct: 720-929-6007
kathy.schneebeckdulnoan@anadarko.com

From: Helen Sadik-Macdonald [mailto:HMACDONALD@utah.gov]
Sent: Tuesday, March 03, 2009 1:45 PM
To: Schneebeck Dulnoan, Kathy
Cc: Mondragon, Mary
Subject: RE: Application For Permit to Drill Sent Back for Revisions

Kathy and Mary,
I have 3 hard copy APDs for
NBU 1022-25G2S
NBU 1022-25G3S
NBU 1022-25G4S
submitted by Kevin in November. Each has 4000' of surface csg. Is this what is planned? I recall, others like these were changed to around 2000' surface csg. Please advise. Thanks. hsm

Helen Sadik-Macdonald, CPG, PG
Engineering Geologist
Utah Div. of Oil, Gas & Mining
PO Box 145801
Salt Lake City, UT 84114-5801

801/538-5357 Desk
801/359-3940 Fax

>>> On 3/3/2009 at 12:52 PM, in message <4C00A07B0A6842468A3237500193BBB0419257@dnvmbx2.anadarko.com>, "Schneebeck Dulnoan, Kathy" <Kathy.SchneebeckDulnoan@anadarko.com> wrote:

Hi, Helen,

I'll get onto fixing these 6 shortly. Sorry for the issues.

Thanks!

Kathy Schneebeck Dulnoan
Anadarko E&P Company, LP
Kerr-McGee Oil & Gas Onshore LP
A wholly-owned subsidiary of Anadarko Petroleum Corporation
Direct: 720-929-6007
kathy.schneebeckdulnoan@anadarko.com

-----Original Message-----
From: hmacdonald@utah.gov [mailto:hmacdonald@utah.gov]
Sent: Tuesday, March 03, 2009 12:15 PM
To: Schneebeck Dulnoan, Kathy
Cc: Mondragon, Mary
Subject: Application For Permit to Drill Sent Back for Revisions

APD Number: 1157
Well Name: NBU 1022-11L3S
Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

There are 6 of these to revise for blanks on Form 3, csg, mud wt, cmt, drill plan.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT [X]
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO:	6. SURFACE:
ML 22447	State

1A. TYPE OF WORK: DRILL [X] REENTER [ ] DEEPEN [ ]

7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

B. TYPE OF WELL: OIL [ ] GAS [X] OTHER _____ SINGLE ZONE [ ] MULTIPLE ZONE [X]

8. UNIT or CA AGREEMENT NAME: 891008900A

2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Onshore, LP — Kathy Schneebeck Dulnoan

9. WELL NAME and NUMBER: NBU 1022-25G3S

3. ADDRESS OF OPERATOR: PO Box 173779 — CITY Denver — STATE CO — ZIP 80202-3779 — PHONE NUMBER: 720-929-6007

10. FIELD AND POOL, OR WILDCAT: Natural Buttes Field

4. LOCATION OF WELL (FOOTAGES) 638153X 39.922520
4420177Y -109.383431

AT SURFACE: SW/4 NE/4 1,765' FNL 1,482' FEL Lat: 39.922275 Long: -109.383517 NAD 27

AT PROPOSED PRODUCING ZONE: 2,250' FNL 2,065' FEL SW/4 NE/4 Sec. 25 T10S R22E
637978X 4420024Y 39.920973, -109.385505

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Sec 25 T 10S R 22E S.L.B.& M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 35.3 miles southeast of Ouray, Utah

12. COUNTY: Uintah

13. STATE: UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
2,065 '	640	Unit well
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**19. PROPOSED DEPTH:**	**20. BOND DESCRIPTION:**
±350 '	7,744 ' MD	Utah Statewide Bond: 22013542
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**22. APPROXIMATE DATE WORK WILL START:**	**23. ESTIMATED DURATION:**
5,103 ' Ungraded Ground Level	April 27, 2009	10 days

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12.25"	9.625"	J-55	36#	1,450 ' (MD)	Premium Cement	215	1.18	15.60
					Premium Cement	50	1.18	15.60
7.875"	4.5"	I-80	11.6#	7,744 ' (MD)	Premium Lite II	280	3.38	11.00
					50/50 Poz G	1,180	1.31	14.30

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

[X] WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
[X] COMPLETE DRILLING PLAN
[X] EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
[ ] FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

kathy.schneebeckdulnoan@anadarko.com
720-929-6007 - office

NAME (PLEASE PRINT) Kathy Schneebeck Dulnoan — TITLE Staff Regulatory Analyst

SIGNATURE Kathy Schneebeck Dulnoan — DATE April 7, 2009

(This space for State use only)

Approved by the
Utah Division of
Oil, Gas and Mining

RECEIVED
APR 08 2009
DIV. OF OIL, GAS & MINING

API NUMBER ASSIGNED: 43047-40443

APPROVAL:

Date: 04-15-09

By:

(11/2001)

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 15, 2009

Kerr-McGee Oil & Gas Onshore, LP
P O Box 173779
Denver, CO 80202-3779

Re: NBU 1022-25G3S Well, 1765' FNL, 1482' FEL, SW NE, Sec. 25, T. 10 South, R. 22 East, Bottom Location 2250' FNL, 2065' FEL, SW NE, Sec. 25, T. 10 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40443.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA
Bureau of Land Management, Vernal Office

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

Operator: Kerr-McGee Oil & Gas Onshore, LP

Well Name & Number NBU 1022-25G3S

API Number: 43-047-40443

Lease: ML 22447

Location:	SW NE	**Sec.** 25	**T.** 10 South	**R.** 22 East
Bottom Location:	SW NE	**Sec.** 25	**T.** 10 South	**R.** 22 East

Conditions of Approval

1. **General**

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

   The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

   - 24 hours prior to cementing or testing casing – contact Dan Jarvis
   - 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
   - 24 hours prior to spudding the well – contact Carol Daniels
   - Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
   - Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

   The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

   - Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
   - Any changes to the approved drilling plan – contact Dustin Doucet

   The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

   - Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
   - Carol Daniels at: (801) 538-5284 office
   - Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. **Reporting Requirements**

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

7. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

API Well No: 43047404430000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: ST ML 22447

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 1022-25G3S

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER: 43047404430000

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779

PHONE NUMBER: 720 929-6007 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1765 FNL 1482 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 25 Township: 10.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 4/15/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

Approved by the Utah Division of Oil, Gas and Mining

Date: April 20, 2010

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Danielle Piernot	720 929-6156	Regulatory Analyst
SIGNATURE N/A		**DATE** 4/14/2010

RECEIVED April 14, 2010

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047404430000

API: 43047404430000
Well Name: NBU 1022-25G3S
Location: 1765 FNL 1482 FEL QTR SWNE SEC 25 TWNP 100S RNG 220E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 4/15/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ○ **Yes** ◉ **No**
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ **Yes** ◉ **No**
- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ **Yes** ◉ **No**
- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ **Yes** ◉ **No**
- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Approved by the Utah Division of Oil, Gas and Mining

Signature: Danielle Piernot **Date:** 4/14/2010
Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: April 20, 2010

By: Dustin Doucet

RECEIVED April 14, 2010

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 1022-25G3S

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER: 43047404430000

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779

PHONE NUMBER: 720 929-6515 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1765 FNL 1482 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 25 Township: 10.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
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	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

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Approved by the Utah Division of Oil, Gas and Mining

Date: 04/14/2011

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Andy Lytle	720 929-6100	Regulatory Analyst
SIGNATURE N/A		**DATE** 4/7/2011

RECEIVED Apr. 07, 2011

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047404430000

API: 43047404430000
Well Name: NBU 1022-25G3S
Location: 1765 FNL 1482 FEL QTR SWNE SEC 25 TWNP 100S RNG 220E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
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Signature: Andy Lytle **Date:** 4/7/2011
Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED Apr. 07, 2011

GARY R. HERBERT
Governor
GREG BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

May 9, 2012

43 047 40443
NBU 1022-25G3S
10S 22E 25

Jenn Hawkins
Anadarko Petroleum Corporation
1099 18th Street, Suite 1800
Denver, CO 80202

Re: APDs Rescinded for Anadarko Petroleum Corporation
Uintah County

Dear Ms. Hawkins:

Enclosed find the list of APDs that you requested to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective May 2, 2012.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal
SITLA, Ed Bonner

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

4304750055	NBU 753-32E
4304750683	NBU 634-12EX
4304740346	NBU 921-15N1S
4304740347	NBU 921-14M3S
4304740348	NBU 921-22A1S
4304750089	NBU 921-15O3T
4304740441	NBU 1022-25G2S
4304740442	NBU 1022-25G4S
4304740443	NBU 1022-25G3S
4304750852	FEDERAL 920-23O
4304751026	NBU 921-12K
4304751027	NBU 921-12L
4304751028	NBU 921-12M
4304751039	NBU 920-21O
4304750697	NBU 687-30E
4304750811	NBU 699-25E
4304740153	NBU 1022-05JT
4304740135	NBU 921-15MT
4304750468	NBU 738-30E
4304739369	NBU 922-18O
4304739372	NBU 922-20E
4304740184	NBU 921-30FT
4304740217	NBU 759-29E
4304740218	NBU 737-30E
4304750461	NBU 1022-24O2S
4304740267	NBU 704-26E
4304740240	NBU 702-26E
4304740241	NBU 703-26E
4304750578	NBU 920-14B
4304750579	NBU 920-14A
4304740268	NBU 701-26E
4304750627	NBU 920-21P
4304750628	NBU 920-21N
4304750682	NBU 921-12J
4304750695	NBU 921-12N
4304750111	NBU 921-11GT
4304750112	NBU 921-11HT
4304750118	NBU 740-30E
4304740374	NBU 705-26E
4304750123	NBU 920-12N
4304750143	NBU 920-13J
4304750751	NBU 920-21G
4304750756	NBU 1022-35I1CS
4304750757	NBU 1022-35I4BS
4304750758	NBU 1022-35J1CS
4304750759	NBU 1022-35J4CS
4304740380	NBU 920-13D
4304750155	FEDERAL 920-24O
4304750769	NBU 1022-35K4CS
4304750770	NBU 1022-35N1CS
4304750771	NBU 1022-35O1BS
4304750772	NBU 1022-35O1CS
4304750791	NBU 921-10O
4304750792	NBU 921-10M
4304740439	NBU 1022-24P2S
4304740440	NBU 1022-24P4S